



PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

\*\* R

London, Monday, March 22, 1999

TODAY'S SCIENCE  
Sleep Therapy, Page 7

No. 36,095

## Triumphant Balloonists Plucked From Desert

### Round-the-World Odyssey Comes to an End in Egypt

By Douglas Jehl  
New York Times Service

**CAIRO** — After a final night soaring across North Africa, the first balloonists to circle the globe touched down early Sunday in the soft sands of southern Egypt — and then spent hours waiting for a ride home.

The landing, about 500 kilometers (300 miles) southwest of Cairo, brought a bumpy end to a record-setting journey that had lasted nearly three weeks.

The balloonists — Bertrand Piccard, a Swiss doctor, and Brian Jones, a British pilot — aboard the huge Breitling Orbiter-3, had hoped to land to see the Pyramids of Giza, but unfavorable winds kept them from that storybook ending.

Instead, they scuttled to a stop in the sands of the Sahara, after two aborted attempts, and then had to gouge holes in their still-inflated balloon to keep it from dragging them further across the desolate desert.

The balloonists landed at about 0600 GMT, but it was more than seven hours before an Egyptian Army helicopter arrived to pluck them from atop a steep plateau.

It was "the most amazing experience," Mr. Jones said of the record-setting journey, which lasted 19 days, 21 hours and 55 minutes.

Mr. Jones told reporters in the oasis town of Dakhla that he and Mr. Piccard had endured the long days cooped up in a tiny capsule as the best of friends. Mr. Jones said the worst thing they had to endure through their journey was the cold.

Mr. Jones and Mr. Piccard had completed the circumnavigation early Saturday morning, floating over Mauritania at 0954 GMT past longitude 9 degrees west. But after a trip that began in Switzerland, and took them across North Africa, Asia, the Pacific Ocean, Central America and the Atlantic, they decided to push on, in search of a soft landing and the romance of the Pyramids, those 5,000-year-old monuments to human perseverance.

It was not clear why it had taken so long for Egyptian helicopters to recover the two men. Their landing was observed by mission controllers aboard a chartered plane, and their exact location was pinpointed by the Global Positioning System.



Bertrand Piccard, left, and Brian Jones celebrating at Dakhla air base Sunday after their Breitling Orbiter-3 balloon landed in the Egyptian desert 480 kilometers southwest of Cairo.

They touched down at 8 A.M. Egyptian time, after a landing timed to take advantage of a post-dawn lull in winds. But it was not until after 2 P.M. that an Egyptian helicopter arrived on the scene, while plans for a news conference upon their expected arrival in Cairo were postponed and then postponed again.

In Dakhla, where they answered journalists' questions Sunday afternoon, the pair appeared drawn and thin. Asked about the state of their balloon, Mr. Jones — who, like Mr. Piccard, wore a blue flight suit and

was sipping Coke from a wine glass — said, "It's completely deflated, like me, really."

Members of the record-setting team described the landing as having been "a 10 on a scale of 1 to 10," and said that weather conditions had been perfect.

They said that the balloon's fuel supplies had been nearly exhausted and that there had been no question of continuing on for another night.

See BALLOON, Page 6

## Italian Bank Bids Set to Challenge Mediobanca

By Alan Friedman  
International Herald Tribune

**ROME** — Italy's banking sector was rocked Sunday by separate multibillion-dollar bids that challenged the power of Mediobanca SpA, the secretive Milan-based bank that until now has wielded enormous influence over Italian finance and industry.

The first bid — a \$16 billion offer by UniCredito SpA for Banca Commerciale Italiana SpA, its Milan rival, came Sunday afternoon and was quickly followed by an \$8.2 billion bid by San Paolo-IMI SpA for Banca di Roma SpA.

The bid, by UniCredito Italiano, if accepted, would create Italy's largest banking group with more than 263 billion euros (\$286.5 billion) of combined assets.

Both bids mark a revolution in Italian finance because they are the first direct attacks ever made on

the bastion of oligarchic business power symbolized by Mediobanca.

But the implications of the takeover bids reach beyond Italy because the deals are an example of the

Battle for Gucci goes back to court. Page 11.

consolidation that is sweeping the European banking sector. In addition, both targets of the bids have strong ties to other European banks: ABN-AMRO Holding NV owns a strategic 8.75 percent share stake in Banca di Roma, while Commerzbank AG of Germany has a 5 percent stake in BCI.

Mediobanca, under the stewardship of its 91-year-old chairman, Enrico Cuccia, has spun a web of financial power that bound the Agnelli's, the Pirellis, Banca Commerciale Italiana, Banca di Roma — and,

in the past, UniCredito — through cross-shareholdings and behind-the-scenes deals.

Until very recently there was no major corporate deal or banking merger that happened in Italy without the blessing of Mr. Cuccia.

The bids, particularly UniCredito's for BCI, are considered an affront to Mediobanca because Mr. Cuccia has always considered Banca Commerciale Italiana to be part of his protectorate.

For the past six months Mr. Cuccia has gone to extraordinary lengths to try to engineer a merger of BCI and Banca di Roma SpA, a bank burdened by heavy loan losses and one that is also a close ally of Mr. Cuccia.

Italy's political and business worlds are opposed to a BCI-Banca di Roma merger because many see it as what would be Mr. Cuccia's last stand — an attempt to

See DEAL, Page 13

## Amid Serb Attack, Holbrooke Makes A New Peace Bid

### NATO's Word Is on the Line

By Craig R. Whitney

New York Times Service

**BRUSSELS** — The NATO alliance, which has been threatening Serbia's leaders with bombing since last October unless they stopped attacking ethnic Albanian civilians in Kosovo, apparently with no effect, met Sunday to consider a new threat to bomb the 40,000 Serbian troops and police carrying out the attacks.

Presented with the plan by American officials, the allies reached a decision on Monday to try to persuade the Yugoslav president, Slobodan Milosevic, to call off the latest offensive against ethnic Albanians in Kosovo Province and accept a peace deal or face imminent airstrikes by NATO warplanes.

Secretary of State Madeleine Albright said that Mr. Holbrooke would warn Mr. Milosevic at their scheduled meeting Monday night in Belgrade that the NATO allies were preparing comprehensive missile and air strikes that could devastate much of his military infrastructure.

"He will make clear that Milosevic faces a stark choice: to halt aggression against the Kosovar Albanians and accept an interim settlement with a NATO-led implementation force or bear the full responsibility for NATO military action," Mrs. Albright said.

President Bill Clinton and Prime Minister Tony Blair of Britain spoke by

### 'Stark Choice' For Milosevic

By William Drozdik

Washington Post Service

**BERLIN** — The United States dispatched its special Balkans envoy, Richard Holbrooke, on a last-ditch mission Sunday to try to persuade the Yugoslav president, Slobodan Milosevic, to call off the latest offensive against ethnic Albanians in Kosovo Province and accept a peace deal or face imminent airstrikes by NATO warplanes.

The Yugoslav president, Slobodan Milosevic, Serbia's leader, would be unlikely to halt his offensive and accept a peace agreement for Kosovo, one high allied official said, until the alliance had shown that it was prepared not only to make threats but to carry them out.

"

These attacks are no surprise," this official said. "Milosevic has taught the West over many decades that he only listens to force, or to threats of force."

Mr. Milosevic responded to heavy allied bombing in Bosnia in 1995 by agreeing to force Serbs there to accept a peace agreement.

Now, most of the allies appear moving toward agreement that it will take heavy bombing again to get him to stop attacking and accept an agreement on autonomy for Kosovo, whose two million people are almost all ethnic Albanians.

An American special envoy on the Balkans, Richard Holbrooke, will make a last trip to Belgrade on Monday to try to persuade him, and Mr. Holbrooke will meet with NATO ambassadors before he goes, officials said.

"We have to get across to President Milosevic that we are serious," Britain's foreign secretary, Robin Cook, said on BBC Radio on Sunday. "This is for real."

The French president, Jacques Chirac, and foreign minister, Hubert Vedrine, have sounded equally tough since peace talks on Kosovo sponsored by France and Britain collapsed Friday, blaming the failure on Serbian intransigence.

"We have to use every opportunity

telephone on Sunday and expressed frustration that peace efforts were being obstructed, a spokesman for Mr. Blair's office said. They agreed to contact each other again within 48 hours and in the meantime to call other leaders.

In Kosovo itself, meanwhile, Yugoslav government forces, ignoring the NATO threats, continued to pound rebel positions for a second straight day in a fierce offensive that sent more civilians fleeing. The Associated Press reported. And in an incident that could further raise tensions in Kosovo, four Serbian policemen were killed and one was wounded in Pristina on Sunday.

At a meeting Sunday of NATO ambassadors in Brussels, allied officials said the 430 NATO aircraft now assembled in the region had been placed on elevated alert status to conduct bombing raids within a matter of hours after receiving their orders. "Everything is ready to go," a senior diplomat said.

Javier Solana, Madariaga, secretary-general of NATO, began what were described as final consultations with the leaders of the North Atlantic Treaty Organization's 19 member states about the scope and timing of a possible air assault against Serbian targets. Mr. Solana was authorized in late January by NATO states to order allied warplanes into action at a moment of his choosing.

The latest preparations for NATO air strikes were a result of what allied military officials called a "dramatic deterioration" on the ground in Kosovo. They said a new Serbian offensive drove at least 10,000 ethnic Albanians from their homes over the weekend and had spawned an impending humanitarian disaster that might require urgent military intervention.

Some European allies, notably Italy and Greece, have been reluctant to approve NATO bombing raids without explicit authority from the United Nations Security Council.

Russia and China, two of the five permanent members of the council, have vowed to block any resolution that would give a green light to air strikes.

See KOSOVO, Page 6

## Obuchi Stands Ground On Aid to North Korea

By Don Kirk

International Herald Tribune

**SEOUL** — Prime Minister Keizo Obuchi of Japan clung to a tight line on North Korea during a weekend visit here in which President Kim Dae Jung of South Korea left him unconvinced of the need to adopt a softer stance in pursuit of reconciliation on the Korean Peninsula.

Three hours after agreeing with Mr. Kim on the importance of "engagement" with the North, Mr. Obuchi made clear that Pyongyang had to be the first to "respond constructively" to "concerns and anxieties" aroused by the Aug. 31 firing of a Taepo Dong missile over Japan.

In an unusually hard-hitting speech, Mr. Obuchi described the situation on the Korean Peninsula as so "extremely bleak" as to make it "difficult to build amicable bilateral relations" between Japan and North Korea.

Tokyo would have to wait to hear from Pyongyang, he said, before it could contribute "humanitarian assistance" — meaning food aid for starving North Koreans — and consider opening

diplomatic relations. As Mr. Obuchi outlined his unrelenting stance toward the North before an elite audience Saturday at Korea University, several hundred students chanted anti-Japanese epithets a few hundred yards away.

The students sought to blockade the prime minister's motorcade as it swept through the main gate of the campus, but they were thwarted by rows of police officers dressed in civilian garb. The motorcade came within a few feet of the closed students, who were surging against police lines. Several thousand more police officers waited nearby in case the students posed a serious threat. While about 100 students sat down in front of the main gate, hoping to trap Mr. Obuchi on the campus after his speech, his motorcade roared out of the university through a side gate.

In Fagoda Park, the Seoul birthplace of a 1919 revolt against Japanese rule, a group of mostly elderly people with memories of the colonial era also protested.

Mr. Obuchi's appearance at Korea

See OBUCHI, Page 4

### 3 Croats Facing War Crimes Trial

Investigators at the international war crimes tribunal in The Hague, having concluded that the Croatian Army carried out a brutal "ethnic cleansing" during 1995 assault against ethnic Serbs, have recommended that three Croatian generals be indicted. Page 5.

## Modern Arms Create New Horrors in Ethiopia-Eritrea Trench War

By Karl Vick

Washington Post Service

killed 10,000 Ethiopians in only three days. Western military analysts greeted the assertion with skepticism but not with ridicule.

In fact, some analysts have estimated battlefield fatalities approaching 15,000 — a figure equal to one-quarter of U.S. casualties during the Vietnam War.

"We don't know how exaggerated the claims are, but clearly it does appear that the casualties are extremely high, which is what you get when you combine modern weapons' firepower with tactics from the First World War," said Richard Cornwell of the Institute for Security Studies in South Africa.

After World War I was fought on such terms, the human toll moved nations to forsake military conflict. In the Horn of Africa, however, the killing continues — despite one side's declaration of "total victory" and the other's acceptance of a regional peace plan.

The resumption of the nine-month conflict between Ethiopia and Eritrea has been so lethal in recent weeks that when Eritrea claimed to have

Tsorona nearly equaled the total number of forces — 50,000 — that more than a half-dozen other African nations are reported to have poured into the ongoing war over Congo. That war, though unusual because foreign nations have intervened, is in many ways a more typical African conflict.

The units are small and highly mobile and are fighting in jungle terrain.

In contrast, the forces dug in along the 1,000-kilometer (600-mile) border between Ethiopia and Eritrea are fighting a conventional set-piece war.

James Woods, the top Pentagon official for Africa in the Bush administration, said Africa has not seen its like since the North African campaign of World War II. Both forces are huge. U.S. officials estimate that Ethiopia began the war with 250,000 troops and Eritrea with perhaps 200,000. And both are exceptionally well-armed.

The world has not yet laid eyes on the scene of the most intense fighting, the trench lines that Ethiopian troops finally breached on Feb. 26 at Badme, the rocky, 310-square-kilometer triangle of disputed border land where the two countries' simmering territorial and political differences first flared into war last May. The cost of driving Eritrea out of the Badme area — every bit as uninviting as the meaningless turf that lay between many of World War I's trench lines — was "not inexpensive," said Takeda Alemu, Ethiopia's vice minister of foreign affairs.

But last week Eritrean officials led foreign journalists in a second front, at Tsorona, about 80 kilometers from the Eritrean capital, Asmara. The scene was so devastating that Ethiopia insisted it

See ERITREA, Page 6

The IHT on-line: www.iht.com  
Sponsored Section: BUSINESS EDUCATION IN FRANCE

Newstand Prices  
Bahrain 1.000 BD Malta 55 c  
Cyprus C 1.00 Nigeria 1200 Naira  
Denmark 17 DKR Oman 1.250 OR  
Finland 12.00 FM Qatar 10.00 QF  
Gibraltar £ 0.85 Rep. Ireland £1.10  
Great Britain £1.00 Saudi Arabia 10 SR  
Egypt £E 5.50 S. Africa R16 Ind VAT  
Jordan 1.250 JD U.A.E. 10.00 DH  
Kenya K. SH 160 U.S. M. (Exc.) \$1.20  
Kuwait 700 Frs Zimbabwe Zim\$4.00

12  
9 770294 805117

**Hotbed of Abduction / From the Vicious to the Virtual**

## In Mexico City, Kidnapping Is a Daily Event

By John Ward Anderson  
Washington Post Service

**M**EXICO CITY — He is an ordinary banker, but in Mexico City these are not ordinary times. So he has a driver trained in counter-kidnapping maneuvers and they take a different route to work every day. The windows of his two private cars have been treated with a special film to resist smashing.

When he and his wife go out at night, they strive for understatement — no French cuffs or diamond engagement ring — and when they return, they call ahead by cell phone and a police car meets them at the front gate, emergency lights flashing. In addition to a new alarm system, the home has a new television camera to monitor the front door, and there are plans to build a vault-like "safe room" on the second floor that can be sealed with the family inside should someone break into the house.

Paranoid? Perhaps. But in a city where crime is a major growth industry — for criminals and companies that sell security systems to thwart them — such extreme measures are increasingly common.

"My company paid for all this infrastructure," said the banker, a foreigner who agreed to be interviewed only if he and his bank were not identified. "As a high-level executive in a big multinational, the cocoon is provided. The house is wired like Fort Knox, so at night, with the alarms, if anything happens, the cops are here within two minutes."

The extra security is warranted by an explosion in crime that has forced residents to dramatically change their lifestyles and has even prompted some rich Mexicans to move their families out of the country.

The surge in kidnappings — as many as six a day in Mexico City — and violent crime has been a boon to companies that provide bodyguards, alarm systems, specially trained ransom negotiators and other security services. Newspapers are filled with ads offering personal-defense training and bulletproofing for automobiles.

Daniel Bell, general manager of Kroll-O'Gara of Mexico, part of a leading international security firm, said that the business of bulletproofing cars in Mexico has grown more than 400 percent in the past four years. The demand reflects the growth in crime that followed the 1994 currency devaluation, which just Mexico into a deep recession.

"Mexico changed forever with the economic crisis, the opening of borders with the United States under the North American Free Trade Agreement, and the globalization of the economy," he said. "Before '94, this was a very peaceful place, but the economic crisis had such a severe impact that it changed the moral fiber of the country."

Sociologists also trace the rise in crime to a leadership vacuum that has accompanied Mexico's gradual democratization and the decline in power of the long-ruling and autocratic Institutional Revolutionary Party. There also a sense that crime pays. According to the federal government, 95 percent of all reported crimes go unpunished.



Vicente Fernandez Jr., right, son of the 'Ranchero' singer at left, was kidnapped last year and held for four months, during which the little finger of his left hand was cut off.

Statistics on crime in Mexico City are unreliable, too risky, so kidnappers have devised a technique called "express kidnapping," a short-term abduction in which the aim is to drain the victim's liquid assets quickly, often by forcing him or her to make multiple withdrawals from different automatic teller machines.

In November, Frederick McPhail, a 27-year-old New York University graduate student, died after a group of Mexico City police officers allegedly abducted him and drove him to cash machines to make withdrawals, then forced him to drink a huge quantity of alcohol, apparently hoping it would cloud his memory.

Instead, it killed him. So far, 13 current and former officers — all alleged to be members of a gang that used the same drinking strategy to discredit and confuse their victims — have been arrested.

Another popular crime is "virtual kidnapping," in which a family is falsely led to believe that a loved one has been kidnapped. In a typical scenario, a stranger meets a woman at a bar and engages in personal banter.

Then the woman goes to a movie while the stranger calls her family, saying she has been kidnapped and demanding an instant ransom, to be paid before the movie is over.

Foreign executives and rich Mexicans are taking unprecedented measures to protect themselves, their families and associates, but the crime wave has touched all levels of society.

Javier Sanchez Gomez, 37, a waiter and actor, said that he and his girlfriend moved from the city after they were express-kidnapped and she was raped by the abductors.

Now, he said, "I don't go out alone at night. I don't carry a lot of cash. I don't use regular cabs, only Sitio cabs from monitored taxi stands. I look around all the time, and if I see something suspicious, I just leave that street."

### TRAVEL UPDATE

#### America West Deal Averts Strike

NEW YORK (NYT) — America West Airlines and the union representing its 2,300 flight attendants have reached a tentative agreement on a five-year contract, averting a strike minutes after a deadline had passed.

William McGlashen, president of the New York chapter of the Association of Flight Attendants, said the deal, reached early Saturday, gave workers higher wages and more flexible work rules. Jeff Zack, a spokesman for the union, said he expected members to ratify the agreement.

A strike at America West would have had a major impact in Phoenix, where America West is based, and in Las Vegas, which is the second-largest carrier.

#### Hurricane Heads for Australia

SYDNEY (Reuters) — One of the most powerful hurricanes to approach Australia was expected to hit land Monday and cause devastation, the authorities said.

The tropical cyclone was expected to cross a thinly populated part of the coast of Western Australia about 1,250 kilometers (780 miles) north of Perth around noon local time Monday (0400 GMT).

#### British Airways Avois Belgrade

LONDON (AFP) — British Airways announced Sunday that it was canceling flights to Belgrade at least until Tuesday, because of the threat of NATO air strikes against Serbian military targets in the crisis over the province of Kosovo.

#### This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Colombia, Iran,

Japan, Kuwait, South Africa.

**TUESDAY:** Iran, Pakistan.

**WEDNESDAY:** Iran.

**THURSDAY:** Cyprus,

Greenland, India, Kuwait.

**FRIDAY:** Bangladesh, Egypt.

**SUNDAY:** Bangladesh, Indonesia, Malaysia, Singapore.

Sources: Bloomberg, Reuters.

Internet address:

<http://www.dlt.com>

#### Netanyahu Departs on Trip To Ukraine, Russia, Georgia

Agence France-Presse

TEL AVIV — Prime Minister Benjamin Netanyahu left Sunday for a trip that will take him to Ukraine, Russia and Georgia.

One of the main purposes of the tour is to urge the Russian government to stop supplying sensitive military technology to Iran. Such transfers worry Israel because of Iran's alleged intentions to develop long-range missiles.

The daily newspaper Yedioth Ahronoth also said the trip had domestic political motives, to appeal to the large number of voters from the former Soviet Union.

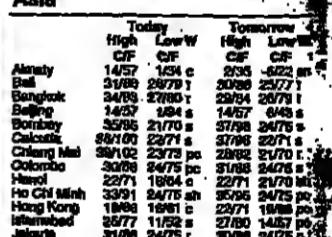
### WEATHER

#### Europe

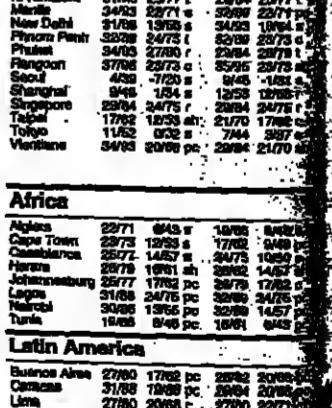
Forecast for Tuesday through Thursday, as provided by AccuWeather.



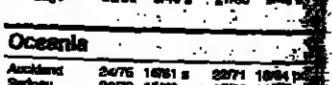
#### Asia



#### Africa



#### Latin America



#### Oceania



**HÔTEL DU RHÔNE**  
GENEVA  
The Leading Hotels of the World  
You love service  
We love service  
care, comfort and  
high tech in the best  
downtown location  
Tel. (4122) 909 00 01  
Fax. (4122) 909 00 10  
LUXURY HOTEL SWITZERLAND

FOR INVESTMENT INFORMATION  
Read  
**THE MONEY REPORT**  
every Saturday in the IHT.  
Herald Tribune  
THE WORLD'S DAILY NEWSPAPER

A Must Read Complimentary Report  
A Professional's Guide to Currency Speculation and Risk Management  
This comprehensive report is mandatory reading for all investors. Complete with profitable, simple, fully disclosed trading models, an 11 year track record and all price data for performance verification  
For This Report and Our Services Guide Call Toll-Free (24hrs)

Australia 1800125344 Belgium 080015808 Denmark 60016132 France 080092244 Greece 8800118213013 Germany 09002268680 Hong Kong 800967209 Israel 8008410102 Italy 157875928 Luxembourg 0600918509 Netherlands 08006220857 Zealand 0600441688 Portugal 0800511632 Singapore 8001202503 S Africa 0600905347 Spain 200021007 Switzerland 0800687233 Thailand 08001118013 USA 8009945757 UK 0181522020 Fax +44-378-8025 Email: [pctor@pctor.net](mailto:pctor@pctor.net)

#### Do You LIVE IN THE U.S.A.?

Early morning hand delivery available in key cities.

Special low cost 2-month trial subscription for just \$43.

For more information call  
**1-800-882-2884**

**Herald Tribune**  
THE WORLD'S DAILY NEWSPAPER

**Nowhere in the world has an Airport Duty Free given out so much CASH.**

## Fallen From Oil Plenty, Saudis Learn to Scrimp

By Douglas Jehl  
New York Times Service

sure on the currency, the riyal, the value of which is pegged to the dollar.

Average income has sagged, down to \$6,300 in 1998, as measured by gross domestic product per capita — two-thirds of the level nine years ago. Unemployment is rising, with an estimated 100,000 young men every year entering a job market with little growth.

"In the last year, our eyes have been opened to things we haven't seen before," said Said Shalik, chief economist for the National Commercial Bank. "There is no doubt these are major challenges for Saudi Arabia."

In many ways, everyday life in Saudi Arabia has not had the gold-plated vistas that immediately greet most foreign visitors: the new-model cars, high-end shops and wide, modern highways.

Average income peaked nearly two decades ago, at more than \$28,000 in 1981, when it equaled that in the United States. It has fallen ever since, diluted by the diminishing real price of oil and by

"When you are hungry, you will take anything to fill your stomach."

the soaring population, which is growing by 3.4 percent a year, the world's 20th fastest rate. This year, average income is expected to fall again, to \$5,700, one-fifth that of the United States.

Sharp cuts in agricultural subsidies have brought migrants to the desert just outside the capital, Riyadh. In Riyadh's outlying areas, children can sometimes be seen peddling tissues at traffic lights, providing a glimpse of new poverty.

In cities like Taif, two hours northeast of Jidda, and Abha, in the mountains south, residents say they have opened their doors to poor Saudis knocking in search of food. Some 45 percent of all Saudis are now 14 and under, and the fear is that the hard times could get worse.

"When the river dries out, where do the fishermen go?" asked Abdullah Dabbagh, chief adviser to the Saudi Chamber of Commerce and a member of the country's Majlis ash-Shura, or consultative council. "If we dry out, where do we go?"

In Jidda, the country's commercial center on the Red Sea, the grim moods are reflected on the faces of anxious merchants. "These are going to be hard times," said a luxury car salesman who gave his name only as Maher. He said car sales had fallen 50 percent since late last year. "Hopefully we can find a way to survive and overcome, because I can't imagine a dark future."

In 1998 Saudi oil income plunged by about 40 percent, or \$20 billion, a result of the worldwide decline in prices. Having crept into surplus for two years running, the Saudi budget fell deeply into deficit, with a shortfall of \$13 billion, three times what had been predicted.

Oil prices have spurted recently under a Saudi plan to slash worldwide production. But under the deal, the country has pledged to cut its own production by more than 5 percent, something that will limit its ability to recover lost income and will leave it with continuing deficits. The plan is expected to be considered Tuesday at a meeting of the Organization of Petroleum Exporting Countries in Vienna.

For now, Saudi Arabia is in recession, its first in six years. The economy is expected to shrink in real terms this year by about 2 percent — the deepest decline since the mid-1980s. With mounting deficits, the national debt is soaring and the cost of interest alone consumes 15 percent of the budget. That has put pressure on the budget to have been a first step toward eliminating costly government subsidies, it doubled the price of gasoline in 1995, and announced a plan to install Saudis in government and private sector jobs held by foreigners. Progress in both areas, however, has been slow.

Non-Saudis, most of them other Arabs and South Asians, still account for 67 percent of the government workforce, and they hold a staggering 90 percent of private sector jobs.

But the economic weakness now confronting the kingdom may finally be driving home the message that change is unavoidable. A soaring level of debt driven upward by uncontrolled spending now amounts to \$130 billion, equivalent to total economic output. The debt is expected to swell by \$14 billion this year.

**\$61,000,000**  
and still counting...  
At Abu Dhabi and Al Ain Airports, we give you the chance to win a fortune everyday you fly. With a raffle limited to just 1200 entries and a jackpot of approximately \$136,000 per draw, your chances of winning are big indeed. So fly through Abu Dhabi or Al Ain and say hello to the big times.



## THE AMERICAS

**'Truth' Question Reveals Press-Clinton Tension**By John F. Harris  
*Washington Post Service*

**WASHINGTON** — President Bill Clinton said he was too busy at his job to dwell on the mistakes of his past or his grievances against his opponents. And he said it again and again as he stood before reporters for his first full-fledged news conference since his impeachment ordeal ended — the first, in fact, he has held for nearly nine months.

Yet as Mr. Clinton pledged to turn to the future, it was a question about George Washington that managed to draw out the intense emotions — anger competing with contrition — that he feels about the controversies of his re-

cent past. If the first president was famous for never telling a lie, a reporter asked Friday, what would be Clinton's legacy about truth-telling?

Mr. Clinton's face tightened. Then, in an edgy voice, he pleaded for people to look just as hard at the veracity and motives of his critics as they have at his own. Telling the truth is "very important," Mr. Clinton said. "And I think what young people will learn from my experience is that even presidents have to do that, and that there are consequences when you don't."

"But I also think that there will be a box score, and there will be that one negative," he continued. "And then there will be the hundreds and hundreds

and hundreds of times when the record will show that I did not abuse my authority as president, that I was truthful with the American people, and scores and scores of allegations were made against me and widely publicized without any regard to whether they were true or not."

Saying that many of these allegations, which he did not detail, had been proven false, Mr. Clinton said, "I would hope there would be a higher regard for truth-telling by all people in public life and all those who report on it."

This was the tensest moment in an hourlong East Room session that showed Mr. Clinton for the most part in a relaxed and genial mood.

leaked information about the design of a nuclear warhead, known as the W-88, from the Los Alamos National Laboratory in New Mexico.

Energy Department officials said they first learned of the apparent theft in 1995, and Mr. Clinton said Friday that several government agencies had acted promptly and responsibly since then to investigate the matter and strengthen security at the labs.

The president denied allegations by some Republicans that the administration had been slow to respond to the spy case and that it had deliberately suppressed the information because of the

1996 election and the White House's trade policies with China.

"I can say categorically that it never crossed my mind that I should not disclose some inquiry being undertaken by the United States government for reasons of commercial or other gain," Mr. Clinton said. "That is not true."

Since detailed disclosures of the suspected theft were reported, the administration has ordered several reviews. The CIA asked for an assessment of the damage to national security, and Mr. Clinton told an advisory panel to analyze the security threats at the Energy Department's nuclear labs.

Foreign policy dominated, as he defended his China policy and explained why military action may be needed to punish Serbian aggression in Kosovo.

He waxed effusive about his two closest political partners.

Hillary Rodham Clinton would make a "magnificent senator" if she decided to run for that position from New York, said Mr. Clinton, adding that they had talked about moving to New York more than a year ago, long before it became clear there would be an open Senate seat next year.

Referring to a flap about Vice President Al Gore's claim that he helped create the Internet, Mr. Clinton said the vice president had played a critical role in technology policy. And while Mr. Gore sometimes has trouble talking about his accomplishments, Mr. Clinton said, "I'll be happy to toot his horn in terms of the years that we've worked together, because there's no question that he has been integral to all the good things that have happened in this administration."

Much of the drama of the occasion derived from the fact that it was occurring at all. The last time Mr. Clinton met with reporters on a solo basis, rather than in a brief photo opportunity or with a fellow head of state by his side, was in Hong Kong last July at the end of his trip to China.

White House aides said Mr. Clinton was eager to return to a more normal relationship with the media. Aides said they had easily anticipated perhaps the most sensitive questions — about Juanita Broaddrick's recent allegation that Mr. Clinton sexually assaulted her in Arkansas 20 years ago — and Mr. Clinton did not seem fazed by it.

But he refused to hedge from his stance of not responding to her allegation directly, nor would he say what, if any, relationship he had with the nursing-home owner. Instead, he referred to a statement from his lawyer that denied the allegation but contained no other detail.



President Bill Clinton pondering a response during his news conference at the White House on Friday.

**Bush Defended On Abortion***Washington Post Service*

**WASHINGTON** — Key leaders of the conservative establishment have begun an aggressive defense of George Bush's position on abortion in an effort to blunt attacks on the Texas governor's presidential campaign from the Republican Party's right wing.

Just as such candidates as Gary Bauer, Steve Forbes and Patrick Buchanan are beginning to gear up to use abortion to slow the momentum of Mr. Bush's candidacy, such anti-abortion luminaries as Pat Robertson, chairman of the Christian Coalition, and David O'Steen, executive director of the National Right to Life Committee, have stepped in to defend Mr. Bush's abortion position.

"Governor Bush has a pro-life record and has taken a pro-life position," Mr. O'Steen said in a statement calling on other Republican candidates and abortion opponents to "refrain from attacking pro-life presidential candidates." Mr. Robertson, appearing on CNN's "Larry King Live," said he "totally" agreed with Mr. Bush's stand on abortion, that until the composition of the Supreme Court changes, "we might as well take the incremental approach."

The abortion issue is a critical hurdle facing all Republican presidential candidates. Opposition to abortion is much higher among the Republican activists who play a large role in caucuses and party primaries than it is among American voters in general.

**Clinton Defends His Record on Spying and China***New York Times Service*

**WASHINGTON** — President Bill Clinton said he was unaware of any espionage cases at U.S. nuclear-weapons laboratories during his time in office and defended his administration's response to suspicions that China stole U.S. nuclear secrets from one of the labs in the 1980s.

"To the best of my knowledge, no one has said anything to me about any espionage which occurred by the Chinese against the labs during my presidency," Mr. Clinton said at a news conference. U.S. intelligence officials have determined that China benefited from

leaked information about the design of a nuclear warhead, known as the W-88, from the Los Alamos National Laboratory in New Mexico.

Energy Department officials said they first learned of the apparent theft in 1995, and Mr. Clinton said Friday that several government agencies had acted promptly and responsibly since then to investigate the matter and strengthen security at the labs.

The president denied allegations by some Republicans that the administration had been slow to respond to the spy case and that it had deliberately suppressed the information because of the

1996 election and the White House's trade policies with China.

"I can say categorically that it never crossed my mind that I should not disclose some inquiry being undertaken by the United States government for reasons of commercial or other gain," Mr. Clinton said. "That is not true."

Since detailed disclosures of the suspected theft were reported, the administration has ordered several reviews. The CIA asked for an assessment of the damage to national security, and Mr. Clinton told an advisory panel to analyze the security threats at the Energy Department's nuclear labs.

**Away From Politics**

• A language barrier might have caused investigators in the Amtrak crash that killed 11 people to misunderstand their first witness' description of the accident. They now believe the Spanish-speaking witness said he did not see the truck drive around a crossing gate before it was struck by the train near Bourbons, Illinois. (NYT)

• A postal worker who told a coworker he might "go postal" and set off a "shoot-out at the OK Corral" was sentenced in Laredo, Texas, to 15 months in prison. John Murillo, 48, was convicted of transporting a threat across state lines for sending the message in an e-mail. (AP)

• Millions of dollars worth of cocaine was seized and two men were arrested when a truck changed lanes without signaling in Fogelsville, Pennsylvania. The police said the truck was carrying 1,828 pounds (831 kilograms) of cocaine. (AP)

**SUMMER**

Celebrating our  
20th summer session

THE  
AMERICAN  
UNIVERSITY  
OF PARIS

Web Design  
Business English

▼ THERE'S NO PLACE LIKE AUP ▼  
THE AMERICAN UNIVERSITY OF PARIS  
Summer Program 1999  
102, rue St. Dominique 75007 Paris, France  
Tel. (33/1) 46 20 00 00 Fax (33/1) 46 20 00 00  
Email: <http://www.aup.edu>  
New York Office Tel. (212) 983-1414

**New Policy Takes Heat Off Illegal Immigrants**By William Branigin  
*Washington Post Service*

**WASHINGTON** — In what it calls a "major shift" in strategy, the Immigration and Naturalization Service is moving away from its traditional raids on job sites to round up illegal immigrants, instead emphasizing operations against foreign criminals, alien-smuggling rings and document fraud.

The new "interior enforcement strategy," outlined in an internal immigration service document, affords a measure of relief to the estimated 5.5 million illegal immigrants living in the United States and the thousands of businesses that employ them.

"But it is generating intense criticism within the immigration service and among advocates of a tougher stand on illegal immigration. They say the new policy undermines the immigration service's

commitment to removing illegal aliens, essentially ignoring them as long as they do not commit a crime that brings them to the agency's attention.

"There is resistance," a senior immigration service field manager said, since "basically, if you get through the border, you're home free."

"We're extremely frustrated," he added. "Morale is low."

The strategy shift underscores ambivalence about illegal immigration. While most Americans oppose the idea of sneaking across the border or overstaying a visa, there also is widespread recognition that illegal immigrants typically work hard, often at jobs Americans shun.

The change also reflects the political reality that has doomed previous crackdowns on illegal employment. According to immigration service insiders, neither the Democrats nor the Republicans

have demonstrated the political will to seriously reduce the illegal work force, in large part because key constituencies oppose such efforts.

On the Democratic side, interior enforcement directed against undocumented workers tends to alienate lawyers, ethnic lobbies, civil rights groups and, increasingly, unions trying to organize the newcomers. For the Republicans, worksite raids often pose problems because they arouse bitter complaints from business and agricultural interests.

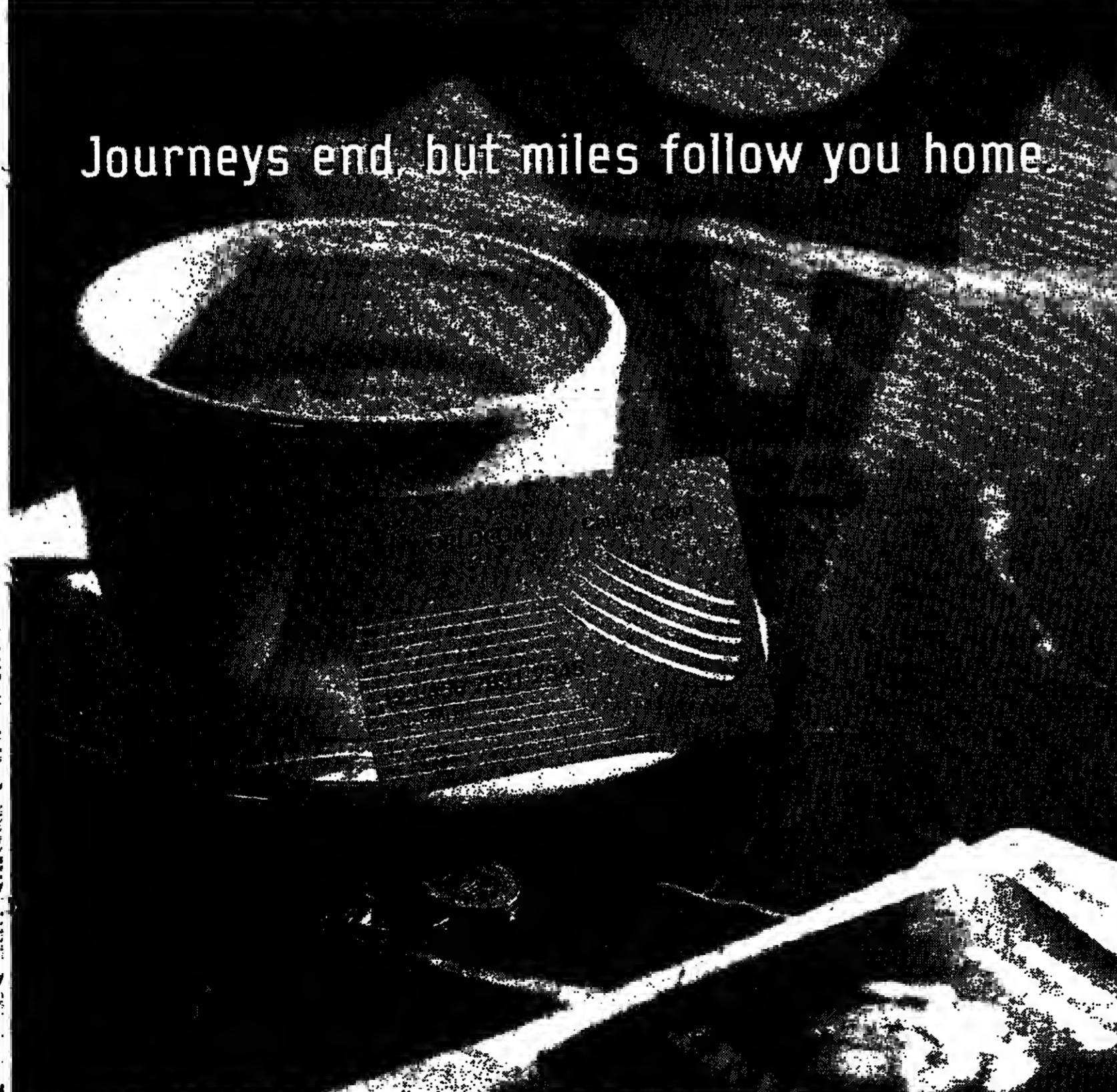
The strategy document, which has been distributed to immigration service field offices but has not been released publicly, says the agency's goal in interior enforcement is to "reduce the size and annual growth of the illegal resident population."

The immigration service has used new powers under a 1996 immigration law to step up deportations in recent years, removing a record 169,000 or more people in fiscal 1998. But the increased expulsions are not keeping pace with the estimated 275,000 illegal immigrants who permanently settle in the United States every year, much less putting a dent in the core illegal population.

The top priority, the document says, is to identify and remove "criminal aliens," many of whom are released before their legal status is ascertained or before the immigration service can be called to pick them up. The agency estimates that roughly 146,000 illegal immigrants are in U.S. jails. As many as 142,000 others are on parole or probation but are subject to removal under the immigration law. An additional 161,000 are "absconders" who disappeared after receiving deportation orders.

The next interior enforcement priority is dismantling networks that smuggle illegal aliens.

Journeys end, but miles follow you home



EARN FREQUENT FLYER MILES

SKYMILES

MAJESTIC PLUS

U.S. AIRWAYS  
DIVISION MILES

American  
Advantage

Orbitz

Simply calling home can help you embark on another journey. Of course, that's only if you use the MCI WorldCom Card, the only card that lets you earn five frequent flier miles for every dollar you spend.\* Using the card also gives you access to operators who speak your language and the low rates you've come to expect from MCI WorldCom. So, enjoy your stay, and use your card to call home and other countries.

To sign up, or to get additional access codes, visit us at [www.mci.com/worldphone](http://www.mci.com/worldphone), or ask your MCI WorldCom operator to make a collect call to 1-410-314-2938.

**MCI WORLDCOM**

**EASY TO USE WORLDWIDE**

\* Just dial the WorldPhone access number of the country you're calling from.

† Dial or give the operator your MCI WorldCom Card number.

‡ Dial or give the number you're calling.

# Belgium (CC) • 0-800-10012 # Netherlands (CC) • 0800-022-012

# France (CC) • 0-800-02-0219 # Spain (CC) • 800-02-0214

# Germany (CC) • 0800-038-0000 # Switzerland (CC) • 0800-01-0222

# Ireland (CC) • 1-800-55-1001 # United Kingdom (CC) • 0800-01-0222

# Israel (CC) • 1-800-94-0227 To call using BT • 0800-01-0222

# Italy (CC) • 172-1022 To call using CWC • 0509-01-0222

200.00

## ASIA/PACIFIC

## Thousands Flee Ritual Cannibalism On Borneo

Compiled by Our Staff From Dispatches

**SINGKAWANG, Indonesia** — Thousands of refugees poured out of rural areas of Indonesian Borneo on Sunday, fleeing ethnic killing in which nearly 100 people have died in less than a week, residents and the military said.

The refugees left behind scenes of horror, including decapitations and, in one instance, the cooking and eating of body parts in a marketplace.

Makeshift shelters had been prepared for the mainly Madurese settlers evacuated to Pontianak, the capital of the Kalimantan Barat Province, from various areas in the embattled Sambas district, residents said.

The military confirmed Sunday that 96 people have been killed in the strife, but there has been killing in remote areas and the toll is expected to rise. About 40 people have been wounded.

Ritual savagery has consumed this region near the Malaysian border since armed gangs of ethnic Malay, Dayak and Bugis men set upon immigrants from the island of Madura last week.

Thousands of people have fled the violence, with 5,586 ethnic Madurese, mostly the elderly, women and children, being evacuated to the provincial capital Saturday and Sunday.

On Sunday, about 1,800 refugees were evacuated to Pontianak by land and sea from the town of Sambas, while about 3,000 others were awaiting evacuation at a local military barracks and the port.

In neighboring Pemangkat town, 750 refugees were evacuated on 15 trucks to Pontianak, about 125 kilometers (80 miles) southeast of there, said Husni, a local administration employee.

On Saturday, indigenous Dayaks and ethnic Malays paraded through the small town of Tebas to the cheers of residents waving three freshly severed heads.

On Sunday, musket shots rang out in Sambas subdistrict, about 50 kilometers (30 miles) northeast of here, as thousands of armed Malays and Dayaks hunted down Madurese.

"They're hiding in the forest," one fighter said. "When we find them, we are going to kill them."

There was only a truckful of police and soldiers on site, trying in vain to disperse the mob, a witness said.

On Sunday, the body of one man was burned at the market place in Sambas and small shredded bits of his liver were

## China Moves to Head Off Censure on Human-Rights Violations

By Elizabeth Olson  
New York Times Service

clouded by disputes over human rights, Agence France-Presse reported.

**GENEVA** — Even before the start of this year's meetings of the UN Human Rights Commission, which begins a six-week session Monday, China has begun a vigorous campaign to head off possible censure of its record on human rights.

President Bill Clinton's administration has yet to indicate whether it will sponsor such a resolution, but it is under increased pressure to do so, as both houses of Congress voted unanimously last month to condemn China at this year's meeting.

China's agreement to engage in dialogue on human rights averted an anti-Beijing resolution from the 53-member commission last year. But China has drawn renewed disapproval recently by rounding up members of outlawed opposition parties and religious dissidents, torturing prisoners discriminating against its Christian minority and imposing restrictions on the press.

[President Jiang Zemin of China went sightseeing in Venice on Sunday before the official start of a 10-day European tour likely to be

clouded by disputes over human rights, Agence France-Presse reported.]

During a recent trip to China, Secretary of State Madeleine Albright warned Chinese officials about their human-rights record, although the Clinton administration generally has sought to separate the issue from other aspects of U.S.-China relations.

Last week, the Chinese Foreign Ministry

warned that criticizing Beijing's record in "protecting and promoting human rights" would be an attempt to "interfere in China's affairs."

Still, the UN human-rights chief, Mary Robinson of Ireland, said in a televised interview last week that "we will, no doubt, be discussing China" at the meetings this year.

Along with China, a number of other countries including Cuba, Iran, Iraq, Congo, Cambodia, Rwanda, Yugoslavia and Afghanistan are likely to come under scrutiny by the commission.

The body has no enforcement powers. Its strength lies in casting a moral spotlight on countries that are not living up to commitments made under international treaties that recognize an array of political, economic, social and cultural rights.

China has escaped formal censure for the past seven years, with the last resolution in 1997 being defeated by a strong margin. The margin reflected traditional divisions in voting between Western countries, led by the United States, and Asian and African nations, which reject such criticism as undue domestic interference.

■ **Jiang's European Tour Gets Under Way**

Mr. Jiang, who arrived in Venice on Saturday, was due to meet President Oscar Luigi Scalfaro of Italy in Rome on Monday and to discuss human rights, although the main aim of his trip is to promote economic ties, Agence France-Presse reported. After Italy, the Chinese leader is to travel to Switzerland and Austria before returning to Beijing on March 30.

"We have good relations with all three countries; we don't expect any problems," said a Chinese diplomat accompanying Mr. Jiang, who took a gondola trip down the Grand Canal and had a look round the Piazza San Marco on Sunday before flying to Rome later in the day.

Mr. Jiang wants to focus on economic issues,

including Beijing's hopes of joining the World Trade Organization. China is said to be counting on Europe to compensate for a slowdown in its exports, in the face of loud protests over its \$57 billion trade surplus with the United States last year.

But it will probably be difficult to avoid the topic of human rights during the trip.

The exiled Chinese dissident Wei Jingsheng plans to make a protest over Beijing's rights record Monday in Rome just as Mr. Jiang meets President Scalfaro. "The European countries must put forth a clear and critical position on the problems of human rights and democracy," Mr. Wei said at a news conference on the eve of Mr. Jiang's visit.

Human rights are also likely to dominate when he travels Thursday to Switzerland. Diplomats in Beijing said a meeting in Geneva between Mr. Jiang and Mrs. Robinson was a possibility, although a meeting had not been placed on Mr. Jiang's official agenda.

He is to meet President Ruth Dreifuss in Bern, then travel to Geneva to address the Conference on Disarmament. In Austria, he is to meet President Thomas Klestil and Chancellor Viktor Klima.

## LANGUAGE

## The Gumption to Use One's Mother Wit

By William Safire  
New York Times Service

**NEW YORK** — "No, it had nothing to do with ethics," said President Bill Clinton's friend Vernon Jordan, originally from Georgia, explaining to Asa Hutchinson of Arkansas why he gave no hand in the destruction of evidence. "As much as it's just good common sense, *mother wit*." You remember that in the South?

In another answer, Jordan used the phrase in a way that defined it: "If you had been sitting where I was ... I think just *mother wit*, common sense, judgment would have suggested you would be interested." Hutchinson took the dialect cue and began another question: "Let's put it in the realm of *mother wit*."

These gentlemen were using a phrase unfamiliar to many in Northern and Eastern linguistic regions but easily understood by "country" talkers and especially black Americans; it is deeply rooted in the usages of some of the great contributors to the English language.

The phrase was defined by E. Cobham Brewer in the 1894 edition of his Dictionary of Phrase and Fable as: "Native wit, a ready reply; the wit which our mother gave us." In ancient authors ... courteous but not profound." In the deliciously scholarly Dictionary of American Regional English (DARE), this 1973 definition by Alan Dundes can be found: "A popular term in black speech referring to common sense ... not necessarily learned from books or in school. *Mother wit* with its connotation of collective wisdom acquired by the experience of living and from generations past is often expressed in folklore."

First recorded in 1440, it was attributed to Mother Nature by Edmund Spenser in his 1596 "Faerie Queene": "For all that nature by her *mother wit* Could frame in earth." Shakespeare picked it up in his "Taming of the

Shrew," with Kate asking mockingly, "Where did you study all this goodly speech?" and Petruchio replying, "It is extempore, from my *mother-wit*." In "Growth of Popery" (1677), the poet Andrew Marvell of coy-mistress fame immortalized the phrase in an apothegm: "An ounce of *mother-wit* is worth a pound of clergy."

This century, William Butler Yeats gave it a romantic twist: "I had the wisdom love brings forth/I had my share of *mother wit*."

More recently, the phrase has been appropriated by black writers. Ralph Ellison, in "The Invisible Man" (1952), has a Harlem blues singer rhyming opine that "all it takes to get along in this here man's town is a little ... grit, and *mother-wit*."

In her 1969 memoir, "I Know Why the Caged Bird Sings," the poet Maya Angelou wrote of advice to be "intolerant of ignorance but understanding of illiteracy," noting the intelligence of those unable to go to school: "She encouraged me to listen carefully to what country people called *mother wit*. That in those honest sayings was couched the collective wisdom of generations." More recently, several books have used the phrase in the title, including Ronnie Clayton's "Mother Wit: The Ex-Slave Narratives of the Louisiana Writers' Project" and "Folk Wisdom and *Mother Wit*: John Lee, an African-American Herbal Healer," by Arville Payne-Jackson.

... This raises the question: Are there any other words, rooted in midmillennium English and preserved in dialect, that appear in the speech of Southerners, especially African-Americans?

*Airish* is one; Chaucer used it in the 14th century to mean "serial"; in Scotland, it developed a sense of "cool, chilly" and is preserved in a kind of dialect amber today in the sense of "haughty, snooty," from one who

"puts on airs." In the same way, *dry* as a modifier was used by the playwright Bea Jonson in 1637 to mean "meager, colorless," as he gave us some good advice: "As we should take care, that our style in writing, be neither dry, nor empty."

According to DARE, published by the University of Wisconsin, that sense persists among black speakers today, meaning "plain, without accompaniments," like "dry, without lemon or milk" in tea. Similarly, *nature* was used by Chaucer in a sense of "sexual vigor," and that special sense is retained, but only in regional dialect.

Here's another Old English phrase much more often used by blacks than whites today: *make haste*, first used as "Make haist (O Lord)" in Coverdale's translation of the Bible's Psalms, and taken up by the novelist Henry Fielding in "Tom Jones" in 1749: "It was necessary for him to make *haste home*." Today, DARE counts it as "formerly widespread, now especially South and South Midland, especially frequent among Black speakers."

Why this preservation, in black speech? Says Michael Montgomery, of the University of South Carolina, now writing a Smoky Mountains dialect dictionary: "Popular speech is really quite a conservative. Things hold on in settings of social isolation." Why should a specific Scots-Irish English dialect usage be the ones that hold on? "Most overseers who ran the slave plantations were not very well-educated white men. We can tell from their surnames that most were Scots-Irish, or came from places like Ulster but had a Scottish heritage. The dialect they spoke was not London English, but was the English language the slaves heard."

Anyone with modicum of *mother wit* should know that if I were not so overeducated, and had a little *horse sense* (1542, from the 1398 *common wit*) or *dry gumption*, I would have been able to figure that out for myself.

## BOOKS

### THE TROUBLE WITH TIGERS The Rise and Fall of South-East Asia

By Victor Mallet. 332 pages.  
£19.99. Harper Collins.

Reviewed by Philip Bowring

THE TROUBLE WITH TIGERS is that they are all defined by the same parameters. They may come to different conclusions — mostly depending on whether written pre- or post-July 1997 — but the "tiger" or "wounded tiger" theme has become so repetitive that it requires considerable willpower to launch into reading one more.

For Victor Mallet, and potential readers, that is unfortunate because this is a more useful and sensible book than might be assumed from its title.

At first glance, this seems like another "I told you so" book by a Westerner getting his own back after years of being lectured about Asian values by persons more concerned with money or power than cultural systems. Indeed it begins with a chapter on "the rise and fall of Asian values." This copes easily enough with the "values" claims of politicians and officials but does not give any insight into the views of the region's intellectuals, artists, religious teachers.

What, if anything, are the common values in a region that has some distinct social mores, is the meeting point of Malay, Indian, Chinese and Islamic cultures and has been under Western influence for 500 years? And if so, do they differ from those in Sweden, Poland or the United States? By addressing the issue at the level of political statements, he falls for the region's own caricature.

Mallet is on stronger ground dealing with the specifics of the era of the boom: the worship of economic growth, the optimism, the arrogance, the dynamism and the greed. He describes the triumphs of the region, the progress and despoliation, the wealth creation and the exactions of the robber barons. It was this that Mallet reported for the Financial Times from 1992 till shortly before the bubble burst.

That he was not around to have to report the "fall of Southeast Asia" probably gives strength to the book because it enables him to concentrate on the lead-up.

He is also wise enough to recognize that the setback for the region is prob-

ably only temporary and makes useful comparisons between it and 19th-century Europe. But he pays scant attention to the (mostly silenced) critics of the pre-crisis development process, nor to the role of foreigners — banks in particular — in exaggerating the situation, first by believing in the region's own propaganda and then taking flight.

He provides useful summaries of developments in each of the region's states and the forces behind them. But Mallet's reporting duties elsewhere may have contributed to a problem with timing. This book could and should have appeared a year ago. It is a poor commentary on the publishing industry that despite all the technology at its disposal, it takes so long to get to the public a journalist's book on a topical issue.

A hundred years ago, books on hot topics were on sale within three months of the event. Asia's economic turmoil may not rank with Monica Lewinsky in store appeal, but a book that sets out to be topical deserves to be treated by publishers with a greater sense of urgency than seems to have been accorded this useful and fair study of the genesis of the Southeast Asian crisis.

International Herald Tribune

## BRIDGE

By Alan Truscott

BEGINNERS LEARN, as a general principle, to prefer a major-suit game to three no-trump if an eight-card fit is available. Experts struggle to locate the exceptions, which are seldom apparent until too late: after the dummy appears. One situation that can be recognized occurs when two things are true. The partnership must have more combined points than it needs for game; and the scoring must be by imps, when the difference between scores of 430 and 450 is trivial.

"If we can build mutual confidence between us and North Korea through this kind of effort," he said, "it will be possible to replace the current structure of confrontation on the Korean Peninsula with a structure of peace."

If South Korean officials were uneasy about Mr. Obuchi's hard line, they were heartened by agreement between Mr. Kim and him on economic topics.

by using Stayman. The risk that the opponents would run five club tricks immediately was substantially less than the chance of a bad trump split in four spades or four hearts.

The occasion was the final of the 1998 New Jersey Double Knockout Team Championship, won by Charles Friedman, Frank Mirchlin, Carole Wardell, Tod Thorger森, David Kuenzler and Julian Schulman.

South would have made 10 tricks in no-trump, a good result at any form of scoring, and had trouble in four hearts even with a normal trump split. A diamond was led, and East took his two winners in the suit and led a club. At this point Mirchlin as West could calculate that his partner had at most a major-suit jack to his name.

South won the club ace and

Mirchlin was ready: When a low trump was led, he inserted the queen. South won with the ace and thought this over. He had intended to cash the heart king next, but that would be disastrous if West's queen was the singleton it appeared to be.

He therefore finessed the 9, an essential move if the trumps were indeed splitting 4-1, but West produced the 10 and gave his partner a diamond ruff. This defeated a game that succeeded in the replay, and the Friedman team gained 12 imps on the road to victory.

South would have had a similar problem if West had played the heart 10, but the queen was more persuasive. Notice that West did not concern himself with the chance that South held the heart jack as well as the ace. South led the diamond seven.

NORTH  
♦ K Q 10 7  
▼ A 7 4 3  
♦ Q 6 5  
♦ Q J

WEST  
♦ 9 6 4 3  
▼ Q 10  
♦ 10 8 7 4  
♦ 9 6 5

EAST  
NORTH  
1 N.T. Pass 2 &  
2 ♠ Pass 3 ♠  
Pass Pass

The bidding:

South: West: North: East

1 N.T. Pass 2 &amp; Pass

2 ♠ Pass 3 ♠ Pass

Pass Pass

West led the diamond seven.

## Malaysia Vows to Act Against Agitators

KUALA LUMPUR — Malaysia will take stern action against any group attempting to topple the government through street demonstrations, Deputy Prime Minister Abdullah Ahmad Badawi said Sunday.

He urged those who disagreed with government policies to work through the democratic process and not take the law into their own hands.

About 500 protesters gathered Saturday at Merdeka Square in the capital, where they shouted "Reformasi," or reform, and anti-government slogans.

(Reuters)

## Prayers for Victims Of Subway Gassing

TOKYO — Rail workers and victims' relatives gathered at a subway station and prayed at an altar decorated with white chrysanthemums to mark the fourth anniversary of the deadly nerve gas attack on Tokyo's subways.

At the Kasumigaseki station in central Tokyo, 40 people offered their prayers at 8 A.M. Saturday — the hour that members of the Aum Shinrikyo doomsday cult released the sarin gas on five subway lines in 1995. Twelve

## Burma Continues Resistance to Visa

BANGKOK — The military government of Burma repeated its objections to issuing a visa to the seriously ill British husband of Daw Aung San Suu Kyi, saying his visit could strain the country's medical resources.

## EUROPE

**War Crimes Investigators Recommend Trial for 3 Croatian Generals**

By Raymond Boomer  
New York Times Service

**WASHINGTON** — Investigators at the international war crimes tribunal in The Hague have concluded that the Croatian Army carried out summary executions, indiscriminate shelling of civilian populations and "ethnic cleansing" during a 1995 assault that was a turning point in the Balkan wars, according to tribunal documents.

The investigators have recommended that three Croatian generals be indicted, and a U.S. official said last week that the indictments could come within a few weeks.

The indictments would be the first of Croatian Army officers for actions in the Balkan wars of 1991 to 1995, which first pitted an independence-seeking Croatia against rebel Serbs and Serbia proper, and then moved to Bosnia.

Any indictment of Croatian generals could prove politically troublesome for the Clinton administration, which has a delicate relationship with Zagreb, a U.S. ally with a poor human rights record in preserving the peace in Bosnia.

The August 1995 Croatian offensive, which drove 100,000 Serbs from a large swath of Croatia over four days, was carried out with the tacit blessing of the United States by a Croatian Army that

had been schooled in part by a group of retired U.S. military officers. Questions remain about the full extent of U.S. involvement.

In the course of the three-year investigation into the assault, the United States has failed to provide critical evidence requested by the tribunal, according to tribunal documents and officials, adding to suspicion among some there that Washington is uneasy about the investigation.

Two senior Canadian military officers, for example, who were in Croatia during the offensive, testified that the assault, which saw about 3,000 shells rain down on the city of Knin over 48 hours, was

indiscriminate and targeted civilians. But lawyers representing the Pentagon have argued at the tribunal that the shelling was a legitimate military activity, according to tribunal documents and officials. And U.S. officials have repeatedly maintained that they had cooperated fully with the tribunal.

A spokesman for the Croatian Ministry of Defense denied that any war crimes or other illegal acts were committed during the offensive, which the Croats dubbed Operation Storm.

To date, the war crimes tribunal, set up by the United Nations in 1993, has indicted 83 people, most of them Serbs. Its chief prosecutor, Louise Arbour, will

ultimately decide whether the indictments should be issued.

The investigators have also recently begun looking into whether the Croatian president, Franjo Tudjman, should be held responsible under international law for his role in the assault, tribunal and U.S. officials said.

At the same time, the investigators have stepped up an inquiry focusing on Slobodan Milosevic, the Yugoslav leader, who is widely seen as the architect of the Balkan wars. U.S. officials and tribunal staff said that a special team to investigate Mr. Milosevic was set up at the tribunal in October.

Tribunal officials rejected reports that

the tribunal had refrained from indicting Mr. Milosevic because of pressure from the United States, which sees the Yugoslav leader as a guarantor of the Dayton peace accords in Bosnia.

To assist the tribunal, the Clinton administration has set up a task force to sift through reams of photos, telephone intercepts and other material held by various government agencies, including the CIA and the Pentagon. U.S. officials said last week.

"There was never any political pressure" against indicting Mr. Milosevic, said William Stuebner, an American who served as an adviser to the tribunal's chief prosecutor from 1994 to 1997.

Mr. Stuebner would not talk about any investigation, and the tribunal officials who did so spoke on condition of anonymity. An American lawyer who has been at the tribunal said that talking about the investigations was like revealing grand jury deliberations and that anyone who did so would be dismissed.

The tribunal has begun an internal investigation to determine who provided The New York Times with a copy of the report on Operation Storm, two former tribunal officials said last week.

Operation Storm was a stunning military assault. In just four days, the Croatian Army regained territory that had been held by rebel Serbs for four years. The Croats then linked up with Bosnian Croat forces and began to roll over Serbian units in neighboring Bosnia.

Those defeats, along with the NATO bombing, helped bring the Serbs to the negotiating table in Dayton.

But there was a darker side to Operation Storm, one largely overlooked in the West, which had little sympathy for the Serbs. The Croatian Army drove more than 100,000 Serbs from their ancestral homelands, forcing them to flee on carts and in small cars jammed with their possessions. In terms of sheer numbers, it was the largest "ethnic cleansing" of the war, though it was not as brutal as the worst of Serbian treatment of Bosnian Muslims during the war.

A section of the tribunal's 150-page report is headed: "The Indictment, Operation Storm, a Prima Facie Case."

"During the course of the military offensive, the Croatian armed forces and special police committed numerous violations of international humanitarian law, including but not limited to, shelling of Knin and other cities," the report says. "During and in the 100 days following the military offensive, at least 150 Serb civilians were summarily executed, and many hundreds disappeared, looted and burned, the report says.

"In a widespread and systematic manner, Croatian troops committed murder and other inhumane acts upon and against Croatian Serbs," the investigators say at another point in the report.

The report says investigators gathered sufficient material to establish that the three generals who commanded the military operation — Mirko Norac, Ante Gotovina, and the military governor of the Knin region, Ivan Cermak — could be held accountable under international law.

The most contentious recommendation of the investigators related to the shelling of Knin.

Two senior Canadian military officers, General Alain Forand and Colonel Andrew Leslie, who were with the UN peacekeeping forces in Knin at the time, were unequivocal in their testimony to the tribunal that the shelling had been indiscriminate and did not serve a legitimate military function.

"Why they shelled Knin is still hard to believe," General Forand told the investigators. "There is no doubt in my mind that the Croats knew they were shelling civilian targets."



SECURITY ALERT — Turkish troops and police keeping watch Sunday in Diyarbakir against the possibility of violence by Kurdish activists during celebrations of Nowruz, a spring festival.

**Tests Loom on EU Budget and Executive**

By Barry James  
International Herald Tribune

**BRUSSELS** — Government leaders faced a critical week Sunday with a key summit meeting in Berlin to set the future financial basis of the European Union and negotiations to seek a quick replacement of the EU's executive, which resigned after a damning report last week on corruption and nepotism.

The European Parliament scheduled a plenary session Monday and Tuesday to debate the corruption report. The presidents of the main political groups are opposed to the present commission remaining in office even in a caretaker capacity, and they are pressing governments to name replacements as quickly as possible for the commission president, Jacques Santer, and his 19 colleagues.

Roman Prodi, the former Italian prime minister who was removed in a confidence vote in October, is the frontrunner for commission president, supported by Chancellor Gerhard Schroeder of Germany and President Jacques Chirac of France.

Mr. Prodi said he would be interested in the post if he was offered a full and unconditional mandate supported by all 15 EU members. He made it clear he wanted a five-year term, not merely an appointment to serve out the remainder of the present commission's term, which expires at the end of this year.

The EU Parliament claims the right to accept or reject the candidate proposed by the governments. This poses a dilemma for the 626-member assembly: If Mr. Prodi, or another candidate, is proposed now, should he be subject to a further confirmation hearing by the new

Parliament that will be elected in Europe-wide elections in June?

There is also the question of whether the nominee for commission president should have powers granted by the Amsterdam Treaty, which comes into effect in June, to select his or her own team. Under present rules, only governments can propose members of the commission.

The Socialist group, the largest in the Parliament, has introduced a motion calling for leaders at their meeting in Berlin on Wednesday and Thursday to set a precise timetable for the appointment of a commission to complete the mandate of the present body, and for a new permanent executive. It insists that the Amsterdam Treaty rules should be applied immediately. The Socialists say the new commission president must have the right to dismiss individual commissioners.

The Berlin summit meeting already has a crowded agenda. Mr. Schroeder is hoping to broker a deal to establish a budget for the EU from 2000 to 2006, to enable the Union to take in new members from Eastern and Central Europe and Cyprus. But the talks are complicated by major differences over the financing of EU farm support, which accounts for more than 40 billion euros (\$43.6 billion) in an annual budget totaling 85 billion euros.

Agriculture ministers reached a provisional agreement this month. But France, the biggest recipient of farm support, is not happy with the terms, while other countries oppose the deal because it would increase farm spending rather than capping it at its current level.

Mr. Prodi, the only officially declared candidate, is one of the few personalities

seen as being capable of winning the support of the two largest political groups in the Parliament, the Socialists and the Christian Democrats. He is also broadly acceptable both to Northern and Southern European countries, which are divided over aspects of the budget reform proposals.

After a tour of European capitals last week, Mr. Schroeder said it might be necessary to hold a special summit meeting, shortly after the Berlin conference, to decide on a new commission.

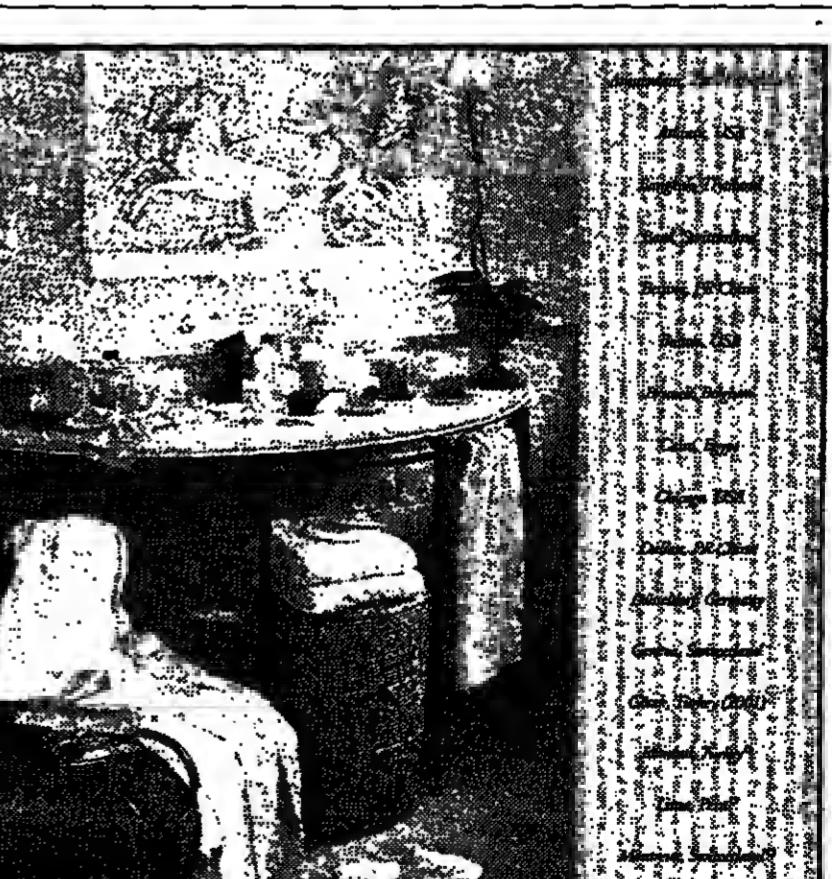
The acting executive is taking care of only routine business, leaving a political vacuum at the heart of Europe.

Officials say a strong commission is urgently needed to deal with an impending trade crisis with the United States over banana imports and an EU ban on old U.S. aircraft, hormone-treated beef and genetically modified food. The commission, which sets laws for the EU and enforces legislation, is the trade negotiator for the entire bloc.

A five-member committee of independent experts set up by the Parliament is continuing an investigation into alleged corruption, fraud and nepotism to be filed. These include a high representative for foreign and security affairs, a new head for the European investment bank and a new secretary-general for the Western European Union, the EU's potential defense agency.

Appointing a commission president is the key to an elaborate game of musical chairs, with several top posts waiting to be filled. These include a high representative for foreign and security affairs,

a new head for the European investment bank and a new secretary-general for the Western European Union, the EU's potential defense agency.



We anticipate more than your business needs.

swissôtel

A Passion for Perfection

For reservations, call your travel professional or Swissôtel at:  
Austria, Belgium, Denmark, France, Germany, Norway, Spain, Sweden,  
Switzerland, United Kingdom +44 800 657 9477 • Italy: 167 781 056  
Elsewhere in Europe, call Frankfurt: +49 69 66 419 613  
[www.swissotel.com](http://www.swissotel.com)

**Chechen Chief Escapes Bomb Near His Car**

By Michael R. Gordon  
New York Times Service

**MOSCOW** — The leader of the breakaway republic of Chechnya survived an assassination attempt Sunday when a powerful bomb erupted in central Grozny.

The blast, which took place as his motorcade passed by, left a gaping crater near the presidential palace. Several people were wounded, including bodyguards. But Aslan Maskhadov, leader of the separatist region, was unharmed.

The explosion came just two days after a devastating bomb attack in Vladikavkaz, 48 kilometers (30 miles) from Chechnya. That attack, which took place in a busy marketplace, killed more than 50 and stunned the Russian government, already accustomed to a regular diet of accidents, tragedies and contract killings.

On Sunday, Russian flags flew at half-mast as the nation held an official day of mourning. The interior minister, Sergei Stepashin, said that religious extremists might have carried out the bombing in Vladikavkaz, the capital of Russian republic of North Ossetia and the scene of ethnic clashes between Ossetians and Ingush in the early 1990's.

But the Russian government does not have appear to have any real clues about the culprits or how to stop such terrorists assaults in the future.

Both bombings, and the wave of kidnapping in the region, underscore the lawlessness that racks the Caucasus region more than two years after the end of the bloody Chechen war.

Mr. Maskhadov, who led Chechnya's fight for independence, is one of the region's most moderate politicians. He was elected president of Chechnya, which calls itself the independent nation of Ichkeria, by an overwhelming margin in January 1997.

Even though Moscow does not recognize Chechnya's independence, it accepts Mr. Maskhadov as the republic's leader. He is one of the few Chechen politicians the Kremlin can talk to, even when the two sides differ.

Georgi Bovt, a Russian journalist, summed up the prevailing attitude in Moscow when he wrote that the Kremlin should support the "sane" Mr. Maskhadov against the "insane" Chechen warlords and former field commanders like Shamil Basayev.

Striking a nationalist pose, Mr. Maskhadov said Sunday night that the assassination attempt and the bombing attack in Vladikavkaz were part of a conspiracy by "certain forces" in Moscow.

Their goal, he said, was to provide a rationale to declare a state of emergency and suspend elections in Russia.

Vladimir Putin, the head of Russia's internal intelligence agency, insisted that the charge was ludicrous, adding that the plotters could be found among the warlords and criminals in Chechnya.

Mr. Maskhadov certainly has plenty of enemies at home. He escaped a similar assassination attempt in July. By some counts, the attempt Sunday was the fifth against the Chechen leader.

Mr. Maskhadov has his differences with local warlords. Recently, he promised to solve the kidnapping of General Gennadi Shapugan, a senior Russian Interior Ministry official who was abducted at the Grozny airport early this month. Six suspects have been arrested as part of that investigation.

NTV, the independent television network, said Mr. Maskhadov had been lucky to survive Sunday because his vehicle had passed just a moment ahead of the blast.

## BRIEFLY

**Finnish Coalition Leads**

**HELSINKI** — Prime Minister Paavo Lipponen's Social Democrats staged a late comeback in the Finnish election Sunday, edging ahead of the opposition Center Party with 96 percent of the vote counted.

Unofficial results showed the Social Democats winning 51 seats in the 200-member Parliament. The Center Party, which had taken the lead in earlier results, was set to win 48 seats.

Although the Social Democrats and their coalition partner, the conservatives, who won about 44 seats, scored a clear victory, any two of the top three parties could form the core of the next government.

(Reuters)

leader of his conservative Gaullist Party. The prosecutor, Yves Bot, told investigating judges who are probing illegal party financing that Article 68 of the French Constitution, written for General Charles de Gaulle in 1958, appeared to put French presidents beyond reach of normal justice as long as they held office. (NYT)

**Protests Over Pinochet**

**LONDON** — A panel of Law Lords, Britain's highest court, hands down a ruling on the extradition of the former Chilean dictator, General Augusto Pinochet, this week, with tempers already fraying over the case.

Protests between pro- and anti-Pinochet supporters broke out in Chile over the weekend, and human rights activists in London said they planned demonstrations near Parliament.

The Law Lords will rule Wednesday on whether General Pinochet enjoys immunity from prosecution in Britain, where he was arrested in October on a warrant from Spain alleging human rights abuses.

(Reuters)

**Trial Ruling on Chirac**

**PARIS** — A French prosecutor has ruled that President Jacques Chirac cannot be prosecuted while in office on political corruption charges stemming from his years as mayor of Paris and

## INTERNATIONAL

# In Kosovo Crisis, Yugoslav Leader Maneuvers Tactically Down to the Wire

By Steven Erlanger  
New York Times Service

**BELGRADE** — By preference and habit, Slobodan Milosevic, the Yugoslav president, has always waited until the last moment before revealing his real bottom line.

In the nerve-racking game of chicken that the Kosovo crisis has become, Washington and NATO want Mr. Milosevic to believe that the last moment is here — to understand that both his options and his time to choose one of them are very limited.

But reading Mr. Milosevic's mind is never easy for Washington because the preservation of his own power comes first before patriotism or the welfare of his people. And a pure ultimatum that says capitulate or get bombed is not likely to produce a deal, some Serb and Western officials believe.

Of all his Western interlocutors, Mr. Milosevic is said to put most trust in the American envoy for

the Balkans, Richard Holbrooke, who is headed here on Monday for what Washington calls a last chance for a peaceful solution before the bombing begins.

Mr. Holbrooke, at least, Serbs feel, understands that peace in the end requires compromise and face-saving, especially given the importance Kosovo has to Serbian tradition and national myth. But they are concerned that Mr. Holbrooke will arrive from Washington with limited instructions and little ability to negotiate, and that his mission is really designed to placate nervous NATO allies more than it to stop the bloodshed in the former Yugoslavia.

Mr. Milosevic understands that NATO's bombers can do him and his military great harm. But he also understands that NATO is still divided and at some risk before its 50th anniversary bash in Washington a month from now.

Mr. Milosevic has heard congressional doubts from Washington about the wisdom of American

policy, and he has heard doubts from other NATO countries over an effective NATO declaration of war against a sovereign state dealing with an internal insurrection. And Mr. Milosevic understands, a senior Western official suggests, that once bombing starts — marking the failure of the threat of force as a diplomatic tool — NATO loses considerable control over what happens.

"If Mr. Milosevic does not comply, does NATO keep bombing?" asks the Serb journalist Ljiljana Smajlovic, no fan of Mr. Milosevic. "And if bombing fails, will NATO have to invade? I don't agree with this notion that just a little bombing will be enough to get him to comply."

Mr. Milosevic is also exercising a degree of care in his military operations in Kosovo, senior Western diplomats and officials said.

Using an unusually high level of professional troops with some of the Yugoslav army's best equipment — M-84 tanks, for instance, the Yugoslav version of the Russian T-72 — Mr. Milosevic is moving quickly to disrupt the

Kosovo Liberation Army's hold on large parts of the province.

Serb forces, these officials say, are driving large numbers of ethnic Albanian civilians out of their villages to create an added burden on the Albanian fighters and allowing them to better separate the two. But the Serb forces have not been killing large numbers of people, the officials say, so much as trying to disrupt the still fragile organizational structure of the KLA and cause new recruits to think of peeling away to take care of their families.

"They're more channeling and moving people now rather than destroying and killing," said one senior official with access to intelligence. "They can deal with that later on. These troops are professional enough so that if they're ordered out to massacre people, they seem to be able to restrain themselves."

Mr. Milosevic is clearly in violation of his October cease-fire agreement he negotiated with Mr. Holbrooke. But Mr. Milosevic has been out

of compliance almost from the moment the deal was signed, without any NATO realization. Even now, he is apparently hoping that an effort to keep civilian casualties down will keep NATO from precipitate strike while his troops take the opportunity to strike the KLA.

In what some Serb officials say was a form of gift, the West's decision to withdraw the 1,400 unarmed observers from the Organization for Cooperation and Security in Europe so early — apparently designed to underscore the threat of imminent bombing as soon as this week — has given the Serb military an opportunity to try to disrupt and damage the KLA.

Even if Mr. Milosevic decides to accept the peace plan for Kosovo, he will be able to argue that he did so only after dealing out real punishment to the KLA, which under the agreement is supposed to disarm anyway.

Mr. Milosevic retains almost complete freedom of action at home to resist NATO or to do a deal, Ms. Smajlovic said.

## NATO: Alliance's Credibility Is on the Line

Continued from Page 1

we can get," said Foreign Minister Joschka Fischer of Germany, who led a meeting of the 15 European Union foreign ministers here Sunday, "to achieve a peaceful solution and avoid a confrontation."

"At the moment," he added, "it seems Belgrade is determined to risk that confrontation."

The decision the allies were considering Sunday would focus the NATO threat on the elite units now off the beaten track in Kosovo.

At the end of January, allied ambassadors authorized a short, sharp attack of pilotless cruise missiles on Serbian military installations in Kosovo and beyond, followed if necessary by a campaign aimed at destroying Serbia's ability to shoot down attacking planes.

They hoped that the threat alone would get Mr. Milosevic to agree to peace talks in France. He did agree, but on his instructions Serb negotiators refused to accept a settlement that would

provide autonomy for the province and 28,000 alliance-led peacekeepers to guarantee it for at least three years, and the talks broke off in Paris on Friday.

Now the United States, officials said, wants to give NATO's secretary-general, Javier Solana Madariaga, authority to order strikes directly against Mr. Milosevic's attacking forces in Kosovo. NATO commanders, with an armada of more than 400 American, British, and French airplanes as well as ships with cruise missiles in the Adriatic, could launch such strikes within hours of getting such an order, officials say.

Air strikes alone, an experienced military officer warned, could not stop the Serbian forces in Kosovo from carrying out further attacks against rebel forces and the civilian population that supports them.

The Yugoslav leader has tested its credibility in the new, post-Cold War era more directly than Soviet leaders ever did while the Cold War lasted, even though they had an enormous army whose tanks could have rolled westward into Germany over allied defenses.

The threat of U.S. nuclear retaliation for any such attack was taken so seriously that Moscow never tried one. So, the North Atlantic Treaty Organization's first 40 years ended with the collapse of communism in Europe without a shot fired by the allies.

Now, for the second time in four years, the alliance is confronted with the need to respond to the threat of instability in the Balkans caused by Mr. Milosevic. "We're witnessing a tragic escalation of the fighting, caused by Serb aggression against the civilian population," NATO's Supreme Allied Commander, General Wesley Clark of the United States, said Sunday.

General Klaus Naumann of Germany, the chief of the alliance's military committee, gave the ambassadors of its 19 countries, including three formerly Communist ones, the Czech Republic, Poland, and Hungary, a report Sunday on what he called "a very rapidly deteriorating situation on the ground."

Defying earlier threats by the allies and breaching commitments he gave last fall to Mr. Holbrooke, the U.S. special envoy for the region, Mr. Milosevic has now increased the size of Yugoslav National Army and special police forces in the province to about 40,000, a high NATO official said.

Allied warplanes could strike those forces using intelligence on their positions gathered from pilotless reconnaissance planes that have been flying over the province.

Behind the scenes on Sunday, officials said, Mr. Solana was consulting with international leaders involved in the crisis to see whether they all shared the determination expressed by President Bill Clinton and Britain and France to go ahead with bombing over Russian opposition if that was what it finally takes to get Mr. Milosevic to change his mind.

### BRIEFLY

## Extradition Appeal Is Denied in Israel

**JERUSALEM** — An Israeli Supreme Court justice rejected a request Sunday to hear an appeal of a decision not to extradite a Maryland teenager to the United States to face a murder charge.

The decision by Shlomo Levine, deputy chief justice, paved the way for the trial in Israel of Samuel Sheinbein, suspected in the death of Alfredo Enrique Tello Jr.

Mr. Sheinbein's lawyer said the youth would be indicted Monday morning.

The Israeli Supreme Court ruled Feb. 25 that Mr. Sheinbein, who was born and raised in the United States, was an Israeli citizen and could not be extradited. His father holds an Israeli passport. (AP)

## Mrs. Clinton Begins Islamic Region Tour

**CAIRO** — Hillary Rodham Clinton arrived Sunday in Cairo on the first leg of a 12-day tour to Egypt, Morocco and Tunisia that has been billed as a bridge-building mission between the United States and the Islamic world.

The American first lady was expected to tour Cairo's old Islamic quarter on her first stop during a trip highlighting the cultural contributions of Islam and aimed at dispelling any suspicions between East and West.

"I am here on behalf of my husband and of the American people to strengthen the bonds of friendship and part-

nership between our two countries," said Mrs. Clinton, who is being accompanied by her daughter, Chelsea.

Mrs. Clinton said she was pleased to be in Cairo on the 20th anniversary of the Egyptian-Israeli peace treaty — the Camp David accords of 1979. (Reuters)

## Arafat Still Discussing A Date for Statehood

**STOCKHOLM** — The Palestinian leader, Yasser Arafat said Sunday that it was a question of when, oot if, there would be an independent Palestinian state, but he repeated that he was still discussing when to make the move.

Mr. Arafat was on a tour to test sup-

port for the declaration of Palestinian statehood. Earlier on Sunday, in Vienna, he said Palestinians had the right to declare an independent state in the West Bank and Gaza according to the 1993 Oslo peace accords. That agreement, he said, made a declaration possible on May 4, after a five-year transition period.

Asked if the declaration could be made at a date later than May 4, he said in Stockholm, "We have to wait and see."

Mr. Arafat was expected to travel to France on his way to the United States, where he is to meet with President Bill Clinton on Tuesday. (Reuters)

### For the Record

Algerian troops shot to death 22 fundamentalist rebels in a group sought for killing 16 soldiers in an ambush, El Khabar newspaper reported. (Reuters)



Serbian soldiers taking cover in a ditch Sunday along the road between Glogovac and Srbica, where fighting with Kosovar rebels continued.

## Iraqis Visit Mecca, Unaware of Recall

The Associated Press

**JIDDA** — Hundreds of Iraqi pilgrims continued to arrive Sunday in the holy city of Mecca, still unaware of President Saddam Hussein's order for them to return home.

The pilgrims stepped out of buses and made their way to camps set up to accommodate them during the hajj, the annual Muslim pilgrimage.

"I want to thank President Saddam Hussein for all his help, God bless him," Abdul Karim Bashiji of Arbil, Iraq, said as he stepped off the bus.

But on Saturday, the Iraqi leader had ordered the 18,000 Iraqi he had sent to Saudi Arabia the previous day to return home after the Saudis refused Iraqi demands that Iraqi funds frozen by the United Nations — and not Saudi

charity — be freed to pay for the pilgrimage.

Some busloads of Iraqi pilgrims were still en route to Mecca, birthplace of the Prophet Mohammed, when the first buses turned back. Pilgrims arriving Sunday on three buses waved Iraqi flags out the windows, and ambulances and parot cars escorted the buses into Mecca.

Many of the buses that headed back to Iraq had arrived in Mecca late Saturday, and the pilgrims who had spent 18 hours aboard expressed sorrow for being unable to perform the hajj, a duty required of all able-bodied Muslims at least once in a lifetime if they can afford it.

"First we cheered, danced and clapped," Adnan Mohammed said, describing the Iraqis' joy at getting into

Saudi Arabia. He spoke Saturday on his return to Karbala, Iraq, adding that "in the end, we cried" in frustration at not being able to perform the hajj.

The Iraqis' decision to leave was as stunning as their entry Friday. The 18,000 Iraqi pilgrims, led by Iraqi officials, rode in a convoy through Saudi checkpoints without stopping. Many had no money or passports.

The kingdom provided them with visas and made all arrangements to house and transport them. But then they were ordered by Baghdad to leave before performing any of the rituals.

President Saddam apparently had hoped the drama would highlight the harsh effects of the nine-year-old UN economic sanctions that have left most Iraqis too poor to make the pilgrimage.



OSCAR NIGHT — Roberto Benigni, the Italian actor and director whose film "Life is Beautiful" received seven nominations for the Academy Awards being presented Sunday.

## ERITREA: High-Tech Weapons Take Trench Warfare to New Depths

Continued from Page 1

must have been staged. In a 180-meter stretch, reporters from Britain, Switzerland, China and other countries counted the bodies of 300 Ethiopian soldiers, some halfway into the trenches they died assaulting. The infantry apparently approached Eritrea's heavily fortified positions on foot, either behind or beside Soviet-made tanks. Twenty such tanks lay wrecked in an area that a BBC reporter described as the size of a soccer field.

Two ruined bulldozers were also visible — but only one armored personnel carrier, the heavily armored vehicle that modern armies rely on to protect their infantry from withering fire. "A hell of a defeat, I'd say, for the attacking army," Mr. Woods said.

The Ethiopian government, which declared "total victory" in the war after winning the battle for Badme, questioned the authenticity of the scene at Tsonora. Ethiopia's government spokesman asked how those reporting knew that the destroyed tanks belonged to Ethiopia, or, as he put it, "that the smell of rotting corpses indeed

comes from dead Ethiopian soldiers?" Eritrea's spokesman, meanwhile, insisted that the estimate of 10,000 Ethiopian dead was "very conservative."

After the war began last May, both Eritrea and Ethiopia began shopping the international arms bazaar. Eritrea invested in small arms and MiG-29 fighter jets. By most accounts, Ethiopia spent much more, buying tanks, Su-27 fighter jets, helicopter gunships and missiles.

"This is perhaps the lesson of the Ethiopia-Eritrea war," Mr. Cornwall said. "It is possible to arm yourself to the teeth relatively cheaply, with all the stuff coming out of the former Soviet empire — plus whatever China and the others decide to throw in. You can buy yourself a T-55 tank for \$50,000."

Analysts say the new equipment is raising death tolls already inflated by the low level of medical care.

As U.S. forces demonstrated in the Gulf War, modern weapons can dramatically reduce the vulnerability of an attacking force. And in the Horn war, Ethiopia, which

bought most of the new gear, is believed to be attacking. But without sufficient training — and without adopting tactics that coordinate troop movements with advanced weaponry — these new weapons might backfire, analysts say.

In taking Badme, Ethiopian forces succeeded in combining fire from artillery, armor and aircraft on a specific point, according to a Western military analyst in Addis Ababa, the Ethiopian capital.

Despite the toll on the advancing Ethiopians, the losses for Eritrea were devastating, according to two military analysts. They estimated 3,000 Eritrean fatalities for the nation of 3 million people, comparable to an American battlefield loss of 270,000 lives.

Prime Minister Meles Zenawi of Ethiopia has pointedly observed that the larger country should prevail because it can bring more "resources" to the battlefield. Ethiopia has 60 million people. "The question is, when does the personal cost become too much to pay?" Mr. Woods said. "I'm a little skeptical that military losses have hit 10,000 yet. But they will at this rate."

But the huge balloon soon caught a favorable jet stream that propelled it on the last leg, at 144 kilometers per hour, across the Atlantic.

Mr. Piccard and Mr. Jones, who will receive \$1 million from the American brewer Anheuser-Busch, were to fly to Cairo, 485 kilometers northeast of Mut, in a C-130 military transport plane.

Since the American publisher James Gordon Bennett established a trophy for long-distance ballooning in 1906, sportsmen have striven to fly the farthest, eventually setting their sights on an around-the-world flight.

The Americans Maxie Anderson and Don Ida made the first attempt in 1981, but flew only 4,306 kilometers, from Egypt to India.

## BALLOON: Team Rescued

Continued from Page 1

and tourism officials had advised people across Egypt that they had nothing to fear from the craft that would descend from the skies.

The record-setting mission had received little attention here through most of the long journey.

"We had to run around the balloon with our knives to make holes to keep from being dragged across the desert," Mr. Jones said.

The Egyptian government spokesman, Nabil Osman, said that the weather-driven changes in plans for the balloons landing had slowed the military's plans for swift recovery of the crew.

"There was no delay," Mr. Osman said. "It was a combination of how to react and how to get the helicopters to that area."

The huge silver balloon, about 54 meters (180 feet) tall, landed atop a remote plateau about 72 kilometers north of the desert town of Mut.

Overnight, Egyptian security

## HEALTH/SCIENCE

## Sleep Therapy for the Elderly

By Erica Goode  
New York Times Service

**N**EW YORK — If "the sleep of a laboring man is sweet," as the Old Testament insists, the slumber of a retired man, or woman, should be even sweeter. But for 25 percent to 35 percent of older Americans, sleep is not something that comes all that easily.

Anthony Telles Sr., for instance, 63 years old and retired from a glass factory, falls asleep at 10:30 P.M. but is wide awake again two hours later, and again an hour after. Margaret Baker, 70, a retired librarian, has conquered the onerous of Tony Hillerman, Dorothy L. Sayers and P.D. James — all during the midnight hours when she cannot fall asleep. "I am a devoted mystery fan," she said.

Mr. Telles and Mrs. Baker eventually sought help at a research clinic at the University of Pittsburgh. But insomnia in older adults, sleep experts say, is often neglected by family doctors, who may view fitful nights, like wrinkles and farsightedness, as a normal accompaniment of aging. Patients themselves rarely deem their troubled sleep important enough to complain to a doctor.

A new study may change all that. In last week's issue of the *Journal of the American Medical Association*, Charles Morin, a professor of psychology at Laval University in Quebec, and his colleagues report that insomnia in older adults can be effectively treated with cognitive-behavior therapy, sleeping medication or a combination of the two.

The behavioral therapy, which was specially tailored to educate patients about "sleep hygiene," to correct faulty beliefs and expectations about sleep and to instill better sleep habits, proved longer-lasting than drug treatment, the researchers found.

"Chronic insomnia is a treatable condition even in late life," Mr. Morin and his colleagues concluded.

In their study, the researchers compared the treatments in 78 men and women, aged 55 and older, all of whom had suffered from insomnia. The subjects either had difficulty falling asleep or staying asleep, at least three nights a

week for at least six months, and had complained of daytime fatigue, impaired functioning or mood disturbance that they attributed to loss of sleep.

People with major depression, medical conditions producing insomnia, or sleep apnea, and those who were unable to stop taking prescribed sleeping pills were excluded from the study.

Subjects who received weekly 90-minute sessions of cognitive-behavioral therapy, a trial of the sleeping pill Restoril or a combination of the therapy and Restoril all showed significant improvement in their sleep patterns at the end of the eight-week treatment period. These patterns were measured by sleep diaries, brain-wave recordings during sleep and the ratings of the subjects' bed-partners. These results were compared with control subjects given dummy pills.

Twenty-four months later, subjects in the group receiving cognitive-behavior therapy alone were still sleeping much better, but the improvement of subjects in the group receiving medication alone was lost after the drugs were discontinued. Surprisingly, subjects who received both medication and therapy did not hold onto their gains as effectively as those who received therapy alone, perhaps because they attributed their improvement to the sleeping pills and did not invest as much in the behavioral learning program, the researchers speculated.

Other sleep researchers said the study was significant because it would alert doctors to the importance and the practicality of treating insomnia in older patients, and because it offered a treatment option other than drugs.

"If you have a behavioral intervention that works and that is durable, that's got to be important," said Daniel Buysse, associate professor of psychiatry at the Sleep and Chronobiology Center of the University of Pittsburgh School of Medicine, who was co-author of an accompanying editorial in the journal.

One reason cognitive-behavior therapy may be longer-lasting in helping patients with chronic insomnia, sleep experts say, is that it trains people to serve as their own therapists and to take responsibility for their sleeping habits.

The subjects in Mr. Morin's study, for example, were instructed in basic principles of "sleep hygiene," including the effects of caffeine, alcohol and diet, and taught ways to increase their chances of sleeping, such as going to bed only when they were sleepy, getting up and going to another room if they could not fall asleep within 15 or 20 minutes and arising at the same time every morning, regardless of how much they slept the night before.

The therapists also worked to correct "faulty" beliefs, such as the notion that sleep should be as enveloping in later life as it is in young adulthood. The percentage of time spent each night in the deepest stage of sleep begins to decrease after the age of 40, and by 60 or 70, people spend little time in deep sleep. "Even with the best sleeping pill in the world, you cannot make a 65-year-old person sleep like a 25-year-old person," Mr. Morin said.

**F**EWER than 15 percent of people who suffer from chronic insomnia receive treatment, according to surveys. But studies indicate that untreated insomnia may put people at higher risk for major depression and may cause elderly people to be placed in nursing homes sooner than if the condition had been treated.

Insomnia increases with age, often linked to medical or psychiatric problems or changes in life style. At any age, women, though they sleep more deeply and longer than men, are also more likely to have insomnia, particularly during menopause and pregnancy.

The appropriate role of sedative-hypnotic drugs, a class that includes most sleeping pills, in treating chronic insomnia is controversial. Unlike antidepressants, sleep medications treat symptoms but do not address the underlying causes of insomnia.

With long-term use, patients can develop tolerance for sedative-hypnotic drugs, and the medications can produce side effects, including a morning "hangover," disturbances in short-term memory and concentration, and rebound insomnia when the medication is discontinued. In older people, who metabolize drugs more slowly, side effects may be more pronounced.

## Syndromes Without a 'Cause'

By Jane E. Brody  
New York Times Service

**N**EW YORK — More than a century ago, physicians encountered a syndrome they called neurosarcina, characterized by a wide variety of symptoms that variously included fatigue, weakness, muscle and joint pain, headache, memory and concentration difficulties, runny nose, disturbed sleep and palpitations.

Researchers expected that a cause would soon be identified — a virus, bacterium or toxic agent — that would account for these complaints. It never happened.

Instead, through subsequent decades, a host of disorders with similar sets of symptoms were identified. They included so-called effort syndrome that afflicted veterans of the Civil War and World War I, chronic brucellosis, hypoglycemia, myalgic encephalomyelitis, chronic candidiasis and chronic mononucleosis. Now the prevailing ailments go by the names of chronic fatigue syndrome, fibromyalgia, multiple chemical sensitivities, sick building syndrome, silicone-associated rheumatic disease (from breast implants) and Gulf War syndrome.

People afflicted with one or another of these syndromes are often extremely debilitated and alarmed by the limitations the ailments place on their lives. Making matters worse is a widespread but erroneous view that they are not really sick but are fakers or hypochondriacs whose symptoms are self-induced to gain attention, sympathy or relief from their usual duties.

But the professional debate is not over whether the symptoms are real — those affected are definitely sick, ex-

perts say — but rather whether there is any point in continuing a thus far fruitless search for specific causes. A more productive approach, they say, would be to treat these syndromes as one and the same, and provide effective treatment regardless of the cause.

In a recent issue of the journal *Epidemiologic Reviews*, Captain Kenneth Hyams, who heads the epidemiology division of the Naval Medical Research Center in Bethesda, Maryland, noted the remarkable similarities in the symptom complexes that are the hallmarks of these diagnoses. All are characterized by fatigue, headache, difficulty concentrating, muscle or joint pain, impaired memory and often depression and/or anxiety, with some individual variations.

The baffling fact of all these disorders is that they are defined only by their subjective symptoms. No objective criteria or consistent organic explanation can be found for any of them and, therefore, they are a challenge to study, diagnosis and treat.

For example, Dr. Hyams explained that some patients might be found to have an immunological deficit, but many others with the very same deficit were not sick. For others, the illness may have been preceded by a cold or flu, but there is no evidence that the infectious virus still lingers in any form.

A more probable explanation, Dr. Hyams and others suggest, is that a reaction to some physical or emotional stress triggers the various symptoms that characterize these syndromes.

Faced with a lack of objective diagnostic criteria, the particular diagnosis a patient receives typically depends upon the patient's most disturbing symptom, the history of exposures to his illness instead of having it control him.

**D**R. HYAMS emphasized that the lack of objective diagnostic criteria "does not mean that these people don't have problems."

"They're ill," he said. "About that, there's no question. They are not malingerers."

Dr. Wessely said that the profound fatigue and muscle pain that typifies these syndromes is best treated not by more rest but by a graded series of exercises that gradually increase a person's stamina. At the same time, patients are encouraged to shed their mistaken beliefs (for example, that any activity will make matters worse) and to restructure their approach to life through 12 weeks of cognitive behavioral therapy, which seeks to enhance self-confidence and a belief in a patient's ability to control his illness instead of having it control him.

**H**arris selected the pyruvate gene purely for reasons of convenience: it lies on the X chromosome, and by studying the gene in men, who have only one copy of the X chromosome, they had to determine the sequence of DNA units only once in each individual.

They sequenced a 4,200-unit long segment of DNA from the pyruvate gene in 16 Africans, 19 non-Africans and two male chimpanzees. The forebears of chimps and of humans are believed to have split into separate species about 5 million years ago, which yielded a time scale for measuring the rate of mutation in the DNA segment. Though the number of DNA samples was small, the researchers said their statistical analysis produced a meaningful result.

The Rutgers biologists noted 25 positions in the DNA segment at which their human subjects tended to have different chemical letters from the chimp sequence. The differences are caused by successive changes or mutations in units of DNA, allowing a family tree of the changes to be constructed. Assuming the mutations occur at regular intervals, the biologists concluded that the ancestral hominid sequence is 1.86 million years old. This is about the time of an archaic human species known as Homo habilis, and confirms the idea that much of the genetic variation in living populations is very old.

Much later, about 189,000 years ago, the researchers said, the gene tree split into African and non-African branches, a point marked by a new mutation found only in the non-African subjects. At a place in the gene where Africans have the chemical sequence GCG, non-Africans have GCA, the letters standing for different units in DNA. In the genetic code, both GCG and GCA specify the same amino acid unit of a protein, so the difference has no practical effect.

But the date it implies for an African/non-African split is substantially earlier than estimates so far derived from other parts of the human genome, which range from 100,000 to 156,000 years ago.

## Study Gives New Time Line for Population Split

By Nicholas Wade  
New York Times Service

**N**EW YORK — The ancestors of Africans and non-Africans split apart almost 200,000 years ago, much earlier than previously thought, a study of DNA in living populations has found. The estimate is so early that it precedes by about 70,000 years the first known fossils of modern humans. The authors of the study say they cannot tell in which branch of the split population the genes that shape modern humans first developed, but they believe that the genes spread quickly throughout the other branch because of the advantage they conferred.

The study, published last week in the *Proceedings of the National Academy of Sciences*, also reports the first fixed DNA difference between African and non-African populations. The difference, which may be rendered less absolute when more people are tested, is in a single chemical unit of DNA that has no functional significance. Several geneticists said the finding does not alter the well-established fact that different ethnic groups differ very little at the genetic level.

The new finding, if sustained, is surprising in the light of two widely held assumptions about human origins. One is the view that modern humans evolved in sub-Saharan Africa and, in a later split, a small band then emigrated to populate the rest of the world. The other is the expectation that only a handful of minor genes underlying superficial characteristics like hair and skin color would show sharp differences between major population groups. The gene under study is part of an enzyme, pyruvate dehydrogenase, which controls an important step in glucose metabolism.

The report, by Eugene Harris and Jody Hey of Rutgers University, suggests that the archaic human population split first, probably in Africa, and that the modernity typical of people today developed later. Dr. Hey said that he and Dr.

Harris selected the pyruvate gene purely for reasons of convenience: it lies on the X chromosome, and by studying the gene in men, who have only one copy of the X chromosome, they had to determine the sequence of DNA units only once in each individual.

They sequenced a 4,200-unit long segment of DNA from the pyruvate gene in 16 Africans, 19 non-Africans and two male chimpanzees. The forebears of chimps and of humans are believed to have split into separate species about 5 million years ago, which yielded a time scale for measuring the rate of mutation in the DNA segment. Though the number of DNA samples was small, the researchers said their statistical analysis produced a meaningful result.

The Rutgers biologists noted 25 positions in the DNA segment at which their human subjects tended to have different chemical letters from the chimp sequence. The differences are caused by successive changes or mutations in units of DNA, allowing a family tree of the changes to be constructed. Assuming the mutations occur at regular intervals, the biologists concluded that the ancestral hominid sequence is 1.86 million years old. This is about the time of an archaic human species known as Homo habilis, and confirms the idea that much of the genetic variation in living populations is very old.

Much later, about 189,000 years ago, the researchers said, the gene tree split into African and non-African branches, a point marked by a new mutation found only in the non-African subjects. At a place in the gene where Africans have the chemical sequence GCG, non-Africans have GCA, the letters standing for different units in DNA. In the genetic code, both GCG and GCA specify the same amino acid unit of a protein, so the difference has no practical effect.

But the date it implies for an African/non-African split is substantially earlier than estimates so far derived from other parts of the human genome, which range from 100,000 to 156,000 years ago.

## Clues to a Disaster at Sea

High-Tech Tools Aid Probe Into Huge Ship's Sinking

By William J. Broad  
New York Times Service

**N**EW YORK — There were no distress calls or survivors. The sea that brutal night claimed the lives of 42 men and two women. Six weeks later, one lifeboat was found afloat, empty and broken, torn from its davits.

The Derbyshire had been one of the largest and safest ships ever built, a star of the British merchant fleet. Its great size, nearly the length of three football fields, was seen as key to its survival in rough seas. But when the big ore-carrier sank in a typhoon in September 1980, all that meant nothing.

Since then, interest in the ship's mysterious fate has grown into an epic of scientific debate and sleuthing, a high-stakes detective story that is still unfolding. The work is made possible by robots and other advanced technologies, some kept secret during the Cold War, that are now allowing investigators to peer deep into the sea, illuminating much that was once lost or hidden.

Recently, a British-American team lowered robots down 2.6 miles to view the ship's shattered remains at the bottom of the Pacific about 500 miles (800 kilometers) south of Japan. It was the third such foray and cost nearly \$3 million.

The findings have prompted London to reopen a formal inquiry on the Derbyshire, the largest British merchant ship ever lost at sea. But its implications are wider, involving the class of vessels known as bulk carriers. Since the Derbyshire went down, the sea has claimed 180 of the ships and 1,465 lives, according to Lloyd's Register of Shipping, which tracks maritime safety.

The Derbyshire probes have identified a surprising culprit — weak hatches that failed under storm stresses — and have already begun to shake up ship design worldwide. Marine authorities "now have the evidence for the first time," said Richard Pittenger, head of operations at the Woods Hole Oceanographic Institution on Cape Cod, Massachusetts, which led the recent Derbyshire probe. "It will have a big impact."

The findings are also bringing some comfort to the families and friends of sailors lost on the ship, whose pressure and protests, carried on for years, finally provoked the British authorities to act.

Crew families say their main hope is that the investigations improve the lot of all seafarers, who are often disregarded, especially if they come, as many do, from poor countries like Cyprus and Pakistan, Honduras and the Philippines.

The Derbyshire was only four years old when it went down and had won Lloyd's highest general rating. At 964 feet (294 meters), the ship was one of the largest afloat and was viewed as intrinsically very safe. After a stop in New York, the ship went to Canada and loaded up thousands of tons of iron ore concentrates bound for Japan.

A typhoon intervened. Winds of up to 100 miles an hour drove waves to heights of 60 to 100 feet.

## The End to the Mystery?

After an extensive examination, an investigative team determined that the Derbyshire sank not because of faults in frame 65, a favorite theory, but because of a slow introduction of water into the bow of the ship.

VENTILATOR HEADS HATCH COVER

BOW

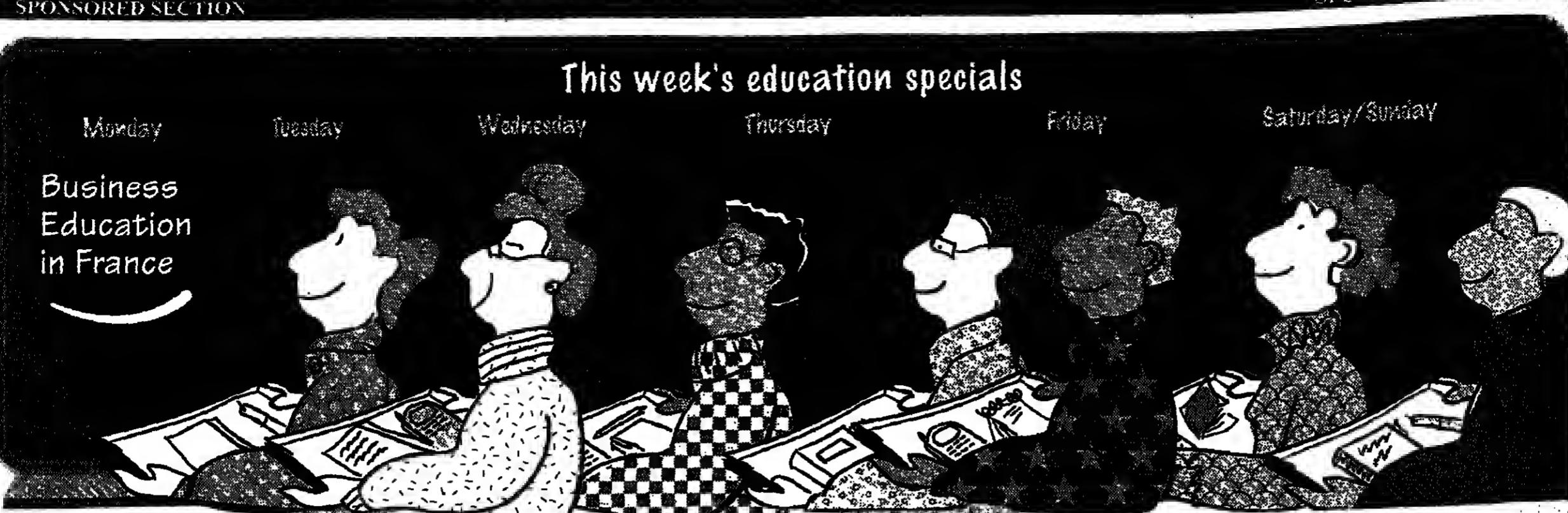
HULL

WATER

Frame 65

HULL

WATER



Monday Tuesday Wednesday Thursday Friday Saturday/Sunday

**Business Education in France****SCHOOLS MERGE TO COMPETE ON INTERNATIONAL MARKET***Large French businesses are looking beyond France for new recruits.*

French management teachers are used to giving courses on their list. "In order to appear to recruitment from major companies, schools have to operate effectively on the international scene," Mr. Boucher continues. This means that they need to command sufficient physical and financial assets, faculty and students to attract academic staff of international stature as well as high-caliber students.

These considerations lay at the root of the 1998 decision by the local chambers of commerce and other bodies that owned the Tours and Poitiers schools to merge the two. "Tours on its own was not of sufficient size to operate internationally," Mr. Boucher explains. "Since it already soaked up 55 percent of the budget of the Tours Chamber of Commerce, it could not ask for more money from that source."

Poitiers, some 80 kilometers (50 miles) away, faced a more acute problem. Student applications were declining, and questions were being asked about the school's future. "As a result of the merger, we now command a total budget of 80 million francs [\$13.3 million], we have 45 permanent academics, and our student population stands

at around 1,500," says Mr. Boucher. "We have also been able to recruit more staff, and we are increasing links with institutions in other countries."

**Is mass really critical?** Thierry Grange, associate dean of the Grenoble business school, takes a different view. "Simply adding two French business schools together does not necessarily produce synergies, and it does not make the new entity more international than either of its two constituent parts," he says. "In many cases, the best approach for smaller and medium-sized schools is to go for a niche market and earn a reputation in that specific sector."

"It is fashionable at the moment in France to say that schools need 'critical mass.' I like to think that there is a parallel here with merger mania in the corporate world. There have been many company mergers over the last five or six years. Many of these have subsequently fallen apart, and many others have failed to add value to the merging businesses," says Mr. Grange.

"Success in management education does not depend primarily on the size of the school," Mr. Grange continues. "Just look at IMD in Switzerland, for instance. It has only around 80 MBA students, yet it is internationally acclaimed."

The Paris Chamber of Commerce and Industry (CCIP) has long experience in running business schools and management centers; it created its first school in 1819.

Today, the CCIP operates some 30 training centers of different types, including

four principal management teaching institutions. These are the HEC (Hautes Etudes Commerciales) School of Management, the Ecole Supérieure de Commerce de Paris, the European School of Management (EAP) and CPA (Center for Management Proficiency) group.

Under a plan that comes into effect next year, HEC and CPA will merge with CPA, and ESC de Paris will merge with EAP. In addition, the CCIP has concluded an agreement with INSEAD, an independent international business school based in Fontainebleau, which provides for exchanges of academic staff in the context of all types, including about 30 schools with a national reputation.

"The business schools in our group have a solid reputation in France, and they are beginning to make their mark in Europe as well," says Christian Vulliez, assistant director of the CCIP in charge of education. "Our objective now is to buttress this position internationally."

**Following business trends**

"The restructuring that we are undertaking addresses the move toward globalization in management education, which parallels trends in the corporate world," Mr. Vulliez continues. "We are aiming at 50 percent non-French teachers and students in our group of schools over the next five years, and we have regrouped our schools to generate maximum synergy."

Bernard Ramanantsoa, dean of HEC, says that the merger between HEC and CPA will enable the two schools together to offer a more complete range of courses. "This is more important to us than the question of size, which may be a central issue when smaller schools decide to join forces," he says.

France currently boasts around 300 business schools and management centers of all types, including about 30 schools with a national reputation.

Mr. Boucher of ESCEM believes that this situation could now change dramatically.

**A market view**

French schools need to sell themselves in the face of new competition for students in the home market, according to Mr. Boucher. "French business schools have traditionally avoided looking at education as a market," he says. "If this attitude persists, it will be disastrous for many French institutions.

For instance, multinational companies are increasingly developing their own in-house universities. In addition, the growth of distance learning will make France a tempting target for foreign suppliers of educational services, including U.S. institutions."

**MBA DEGREES GAIN GROUND***Companies are demanding internationally minded graduates.*

Top French companies have traditionally recruited graduates with distinctively French degree qualifications, and they have not afforded any special recognition to the MBA degree. Now, however, this picture is starting to change as French businesses feel the need to take on more young graduates with cross-cultural training to support their international development.

Says Thierry Grange, associate dean of the ESC Grenoble business school: "Demand for MBAs is increasing across France. Ten years ago, only large French companies active on the world market were particularly looking for MBA graduates. Now companies of all sizes are operating internationally, and they are keen on finding young managers with this qualification."

**Practical experience**

Groupe ESSEC in Cergy-Pontoise, located near Paris, has taken the radical step of converting its basic degree program into an MBA. "Under the new program," says Christian Koenig, director of the ESSEC Graduate School of Management, "students will take a break in the middle of the course to work with a company for a year. Our idea is to integrate business and academic approaches so that students can learn more from each of them."

This is particularly important since, unlike many other French MBA courses, the new ESSEC MBA is being aimed at younger students without significant professional experience. The program will be taught in both French and English. "This forms part of our effort to attract more foreign students," says Mr. Koenig. The ESSEC group also offers two other MBA programs with an international dimension, one in luxury brands and the other in agri-food management.

**Going abroad**

Several French business schools offer MBA programs that provide students with learning experience in different European countries. The Nantes Atlantique business school in western France provides one example. "We run three MBA programs, and two of these include specific cross-border European links," says Florence Nicolas-Lesavre, director of the business and professional development unit at the Groupe ESC Nantes Atlantique.

One of the Nantes-MBA courses is known as the EMP (European Management Program). The course includes periods of study in France, Spain and Britain, conducted in French, Spanish and English respectively. "We also offer an executive or part-time MBA, known as the Euro\*MBA," says Ms. Nicolas-Lesavre. The Euro\*MBA is taught by a consortium of seven business schools, including two French organizations, ESC Nantes Atlantique and the IAE d'Aix en Provence (the business institute at the Aix-Atlantique).

Marseille University). Other members of the consortium are based in the Netherlands, Ireland, Germany, Finland and Spain. "Distance learning, including the use of new communications technologies, plays an important role in delivering this program," says Ms. Nicolas-Lesavre.

EAP, also known as the European School of Management, which is attached to the Paris Chamber of Commerce, operates its own branch campuses in Oxford, Berlin and Madrid as well as its principal campus in Paris. Students taking EAP's basic three-year business program study in three of these four centers, and participants in the school's one-year MBA course also spend short periods in EAP centers outside France.

"The MBA is currently available at three of our centers, namely Paris, Oxford and Madrid," says Edouard Bomiche, dean of EAP's European Master's programs. "Instruction in our MBA program is entirely in English. Course work is divided between classroom studies, projects and company internships."

Schiller University — whose main campus is in Florida — also provides full- and part-time MBA programs and other courses in several European centers including Paris. "Our students can move between campuses in different countries, and we place particular emphasis on an international approach," says Christiane Baroody, director of Schiller's Paris campus. Other Schiller centers are in Spain, Germany and Switzerland.

Viviane Bourdin, international development director at ESCM School of Business and Management, points to the school's efforts to "internationalize" by creating tailored-made MBA programs outside France. "We have recently launched two MBA courses abroad, one in Taiwan and one in Greece," she says. "Under the first of these we provide a package that enables Taiwanese business students interested in Europe to meet prospective contacts during a study period in France."

Says Jean-Loup Ardoin, associate dean of the ISA MBA program at the HEC School of Management at Jouy-en-Josas near Paris. "Thirty-two nationalities are represented in the course, and we are planning to increase student numbers from this year's high of 160 to 200 next year," Mr. Ardoin says.

"Many French companies are keen to recruit foreign graduates who can work in French. We believe that our program, which is taught in both English and French, with a third language option, is attractive in this respect."

Part-time MBA programs are also developing in France. For example, the E.M. Lyon business school has 57 students in its part-time MBA course, with only 33 on its full-time program. Says Lyon's academic director, Bernard Ballantyne, "In my view, part-time programs are likely to develop more quickly than full-time courses, helping by moves toward a shorter work week."

**Herald Tribune**

THE WORLD'S DAILY NEWSPAPER

If you would like to receive further information on the advertisers who appear in our **Business Education in France Sponsored Section** please complete this coupon & send it to:  
THE INTERNATIONAL HERALD TRIBUNE  
c/o GARBLE MARKETING LTD.  
St Mary's Mill, Chalford, Stroud, Gloucestershire,  
GL6 8SX, England  
Fax: 44 1453 886 287 E-mail address:  
john@garble.star.co.uk

**Executive Education**

Tick box

- 1. EAP
- 2. ESCP
- 3. ESC Toulouse
- 4. EHEC-GDGS
- 5. European Institute of Purchasing Management
- 6. IPAM
- 7. ISG
- 8. University of Southern Europe

**Colleges & Universities**

- 9. Alliance Francaise
- 10. Institut Américain Universitaire
- 11. Schiller University

**Language Schools**

- 12. ACF
- 13. BIS
- 14. CLE
- 15. Collège Cévenol International
- 16. Millesimis Provence

**Art & Design**

- 17. ESMOD

**GUIDES**

- 18. Editions Fabert

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_

Job Title: \_\_\_\_\_

e-mail: \_\_\_\_\_

How did you secure this copy of the I.H.T.? \_\_\_\_\_

Tick box

**learn and enjoy where the finest French is spoken**

- CIF : an independent school established in 1985.
- Located in the cultural center of Tours in the Loire Valley.
- Maximum class size: 7 students, year-round.
- Professional and personal service.
- Multi-cultural classes for adults and executives open to all levels.
- Carefully selected host-families, apartments, hotels, chateaux.
- Please contact Isabelle or Hervé RUBERT for a brochure and further information.

**Tous les métiers de la mode**

de la création au marketing

- Formations de 1 mois à 3 mois
- Programmes d'échange entre les différentes écoles du groupe

ESMOD International  
16, bd Montmartre 75009 Paris  
tel: 33 (0)1 44 63 81 50  
web: <http://www.esmod.com>  
e-mail: paris@esmod.com

ISEM  
12, rue de Clignancourt 75009 Paris  
tel: 33 (0)1 42 33 57 99  
e-mail: isem@wanadoo.fr

ÉTABLISSEMENTS D'ENSEIGNEMENT SUPÉRIEUR FABERT

**Companies, Business Executives, Individuals**

Learn English, French, German, etc.  
Everyday and Business-language, Culture and Civilization  
Collaboration with ART, CULTURE ET FORMATION  
58 bis des Nazaires, 75011 Paris  
e-mail: art@artisca.com  
Tel/Fax: (33 33) 01 49 23 00 58

**BORDEAUX**

One of Europe's most spectacular cities

**INTENSIVE FRENCH COURSES • BORDEAUX WINE COURSE**

• TEENAGE PROGRAM IN BIARRITZ

B.L.S. 1 cours Georges Clemenceau, 33000 Bordeaux - France  
email: bsls@wanadoo.fr <http://www.bls-bordeaux.com>  
Tel: 33 5 56 51 00 76 Fax: 33 5 56 51 76 15

**Teaching French to adults for 29 years****INSTITUT DE FRANÇAIS**

TOTAL IMMERSION on the French Riviera  
8½ hrs per day with 2 meals. 8 levels: Beg. I to Adv. II

**ACCOMMODATION IN PRIVATE APARTMENTS**

Next 2-week course starts March 29, May 3 and all year

66230 Villeneuve-lès-Avignon, France Tel: 33 (0)5 61 00 44 Fax: 33 (0)5 61 76 52 12 <http://www.institutdefrancais.com>

**The European Institute of Purchasing Management**

The Centre of Purchasing Excellency  
Start anytime in the year with the least disruption to your working schedule Immediate return on investment!

**Purchasing Certificate (CAPC)**

Tailored for newcomers to Purchasing or for professionals wanting to keep up with state-of-the-art Purchasing methods and tools. Immediate return on investment!

**EPIM Conferences, round tables, colloquia... create the events to help you develop your own European network within the purchasing function.**

Contact us now! EPIM Site d'Avignon 84166 Arlesques, France Tel: 33 (0)4 50 31 95 78 Fax: 33 (0)4 50 31 95 80 Email: epim@epim.org

**BUSINESS EDUCATION IN FRANCE**

was produced in its entirety by the Advertising Department of the International Herald Tribune.

WRITER:

Michael Rowe in Paris.

ILLUSTRATIONS:

Karen A. Sheekley-Wilson.

PROGRAM DIRECTOR:

Bill Mahler.

European School of Management

**BOOST YOUR COMPETITIVE ADVANTAGE**

By taking our

**INTERNATIONAL MBA**

Full-Time in Paris (7 months in English)

6 av. de la Porte des Champs  
F-75838 PARIS cedex 17

Tel: 01 39 44 00 93 31 32 33

Fax: 01 39 44 00 93 31 32 33

E-mail: mba@esm-paris.net

Web-site: <http://www.esm.net>

Chambre de Commerce et d'Industrie de Paris

Le FA BERT

The best choice for a private school in France

The ultimate way

CENTRE FABERT 20 rue Fabert 75010 Paris tel: +33 (0)1 36 63 32 62

Fax: +33 (0)1 47 65 65 61 E-mail: centrefabert@fabert.com

<http://www.fabert.com>

**COLLEGE LYCÉE CEVENOL INTERNATIONAL**

## POST-GRAD BUSINESS DEGREES WITH SOMETHING SPECIAL

*Many new MBAs are geared to a specific management function or sector.*

A central idea behind the MBA concept is that courses provide general management teaching rather than specialized training for a particular job. Despite this, French MBA programs with a specialty are now growing in number and popularity.

Such courses may be particularly attractive to managers with a technical background, such as engineers or scientists, who wish to move into a management post in a particular sector or within a particular function. Qualifications of this type can also appeal to prospective employers looking for graduates who will quickly become operational in a specific management function or sector.

**Focusing on an industry.** One example is a new program at Groupe ESC Toulouse: "We are now creating our first MBA program, with a specialization in aerospace," says Hervé Passero, dean of ESC Toulouse. "This fits in well with the industries for which our region has an international reputation.

"In addition to French students, we believe that the program will appeal to students from Southeast Asia, Eastern Europe and Latin

America," adds Mr. Passero. "We are aiming to have 20 to 30 students in the course once it has fully settled into place."

**Management plus IT.** The Theseus International Management Institute at Sophia Antipolis near Nice has a specialization in information technology. Says Francis Bidault, dean of the MBA program at Theseus: "The program mixes basic management subjects with business in the IT environment, and each student also has to undertake a consultancy project."

ESC Grenoble is joining forces with Henley Management College in Britain to launch an executive MBA program emphasizing high-tech industries, which are characteristic of the region.

Says Gérard Guibilato, who is responsible for specialized masters' degrees at ESSEC, near Paris: "In 1995, we created an MBA program with a specialty in luxury brands, and then in 1998 we added an MBA in agri-food management. We chose subjects in which the school is well-experienced and for which France is well-known partly as a way of developing our international strategy and presence."

Both programs were launched with the help of major French and international companies in the sectors concerned. LVMH and L'Oréal are two examples for the luxury MBA. Companies involved in the agri-food MBA include Danone, Nestlé, Cargill, Jacobs Suchard and Mars.

"Both our specialized MBA programs cover all the usual general management topics," says Mr. Guibilato. "The specialization comes from applying these general themes to case studies and projects in the luxury brands or agri-food sectors. For instance, we give particular teaching emphasis to brand management, which is a very important topic in the luxury goods context."

Students are divided into small groups to carry out field projects with companies in areas such as marketing and strategy. The programs also involve corporate mentors who follow individual students' progress. Around 60 percent to 70 percent of students who have graduated to date from the luxury brands MBA have been recruited by the company with which they worked during the course.

Most of the graduates from ESSEC's specialized



MBA program find jobs outside France. Recent examples include recruitment of ESSEC graduates as sales coordinator for Yves Saint Laurent in Japan and brand manager for Estée Lauder in the United States.

**A course for a job** The two ESSEC specialized MBAs offer a sectoral specialization. By contrast, the European Institute of Purchasing Management (EIPM) in eastern France runs an MBA course that specializes in the purchasing-management function.

"Until 1996, we offered both full-time and part-time MBAs," says Elida Simonska, coordinator for the EIPM's MBA program. "We found, however, that there was little demand for full-time course in this specialty, so since then we have concentrated entirely on the part-time product." The course

consists of 14 modules that can be taken over a period of 18 months to three years. "This gives flexibility to working executives, who may have to undertake business trips or interrupt their study for other reasons," says Ms. Simonska. Most of the program participants are sponsored by their employers.

Specific topics covered in the program include marketing, accounting, information-technology management, purchasing strategies and methodologies, and organizational management tools.

"The course also strongly emphasizes supply-chain integration and logistics management," Ms. Simonska says. "At the same time, a basic element of the program is the teaching of general management skills that can be transferred to positions outside purchasing management."

3-5-8

The Alègre plan for reform in higher education forms part of a wider European move to achieve greater harmonization among national systems. The basic idea is to create a degree hierarchy similar to the Bachelor's/Master's/Doctor's structure applied in the United States, Britain and other English-speaking countries. France has coined the phrase "three-five-eight"—referring to the cumulative number of years of university study needed to attain each degree—as a shorthand description of the plan.

Edufrance was established in November 1998. Its stated objective is to help France compete in the worldwide markets for higher education, both in business terms and for the purposes of promoting French culture in the

most highly educated sectors of the world's population. This includes an explicit intention to provide the buyers of international education services with a cultural alternative to the dominant U.S. model.

### Seeking foreign students

According to the figures of the French authorities, foreign students around the world constitute a total estimated market of about 130 billion francs (\$21.8 billion).

The United States currently plays host to some 560,000 foreign students in university-level programs, while Britain and France account for 200,000 and 130,000 respectively. This activity is worth more than \$7 billion a year to the United States, representing the country's fourth-largest source of export earnings.

Against this background, Edufrance is promoting efforts to market French educational services abroad, to coordinate French bids for international development contracts in the education sector and to devise a comprehensive service to help foreign students in France with practical issues such as visas and accommodation. Edufrance's efforts are also aimed at multilateral agencies such as the World Bank. Altogether, such agencies spend around 3.5 billion francs to 4 billion francs a year on education projects.

The Alègre plan—the details of which have yet to be settled—aims at helping these international promotional efforts by making the French degree structure more easily understandable in international terms. The new degrees will be added to the existing ones, however, and it remains to be seen how the new system will operate in practice. ●

## MANY APPROACHES TO TEACHING ELECTRONIC COMMERCE

*Schools are addressing the new business tools of the Internet for selling, marketing, responding to customers and managing inventory.*

**F**rance was slower than the United States or Britain to take to the Internet. Now, though, the number of French users is rising rapidly, and major business schools in France are boosting their teaching of management techniques for electronic commerce and other information-technology applications.

Theseus International Management Institute at Sophia Antipolis near Nice provides one example. Participants in the Theseus MBA program examine companies that are already carrying out e-commerce through the Web. An example is Atobyle.com, an Internet-based marketing service that specializes in finding cars for buyers at the lowest possible price.

Says Miklos Vassarhelyi, who teaches management and IT at Theseus: "The service is provided free. The company makes money from commissions paid to it by insurance companies and others, and through fees for advertisements."

The Theseus MBA "includes specific sessions of information technologies, new business tools and direct marketing," says Francis Bidault, dean of the program.

Three weeks of this period are devoted to e-commerce applications. "What we look at in these sessions is the dramatic manner in which the way of doing business is being changed by IT, and not just the narrower subject of commerce on the Web as it is conducted at present," says Mr. Vassarhelyi.

"One currently important example is the movement toward inventory-sharing between companies and the development of IT-based reordering procedures," Mr. Vassarhelyi adds. "Another instance is the growth of so-

called 'e-care' procedures to improve the follow-up of customers." E-care integrates the analysis of data about customers with customer communications.

The INSEAD business school in Fontainebleau near Paris teaches e-commerce management in both its MBA and non-degree executive programs. Says Albert Angehrn, who teaches IT management courses at INSEAD: "Course participants create their own on-line companies. This enables them to see how quickly a virtual company can be created in contrast to the procedures involved in setting up a more traditional business."

**Overcoming resistance** Courses also deal with how to handle new communications channels in an entrepreneurial way in large, well-established corporations. "Managerial resistance to change is a big issue in this respect," says Mr. Angehrn, "and we have developed a multimedia simulation that enables participants to learn techniques to overcome this resistance."

Another approach is illustrated by the Mercure IT network. This was created five years ago by four French business schools—ESSEC in Cergy-Pontoise, E.M. Lyon, EDHEC in Lille and ESC Nantes Atlantique. One of Mercure's main uses is for teaching, including strategic marketing and e-commerce applications.

In a more specialized example, the European Institute of Purchasing Management in eastern France integrates e-

commerce into its MBA program in connection with corporate purchasing procedures.

**Help for fledgling companies** In December 1998, Nik Fuchs (a Swiss citizen), Maria Luis Rodriguez (Venezuelan), Sven Awege (part British) and Frédéric Dromigny (French), graduated from EAP's MBA program in Paris. In January, the four became partners in creating their own business, called E-Co Consulting, to advise on IT-linked strategic management issues. EAP is helping the fledgling company by providing physical accommodation at the school's premises during the launch period.

"Electronic commerce was dealt with in the EAP MBA course in conjunction with the subject of competitive intelligence," says Mr. Awege. "We were able to look at these subjects in a strategic context and to see how e-commerce will be likely to affect business development in the future." The course also included in-company projects, which gave the four partners the opportunity to acquire the beginnings of a client base. Mr. Angehrn reckons that one of the most important things that participants learn in his courses at INSEAD is how managers can interconnect with employees and others in a corporate setting where people are not physically in the same place. ●

INTERESTED IN A PROFILE-ORIENTED AND INTERNATIONAL MBA?

ISG's M.B.A. MAY BE THE ANSWER

INTERNATIONAL M.B.A.

EXECUTIVE M.B.A.

INTERESTED IN A PROFILE-ORIENTED AND INTERNATIONAL M.B.A?

ISG's M.B.A. MAY BE THE ANSWER

ECOLE DES HAUTES ETUDES INTERNATIONALES

The Oldest French Institute of International Relations

MASTER and Ph. D IN INTERNATIONAL RELATIONS AND DIPLOMACY

English speaking programs

at the Centre d'Etudes Diplomatiques et Stratégiques (C.E.D.S.)

FROM APRIL 1999 TO FEBRUARY 2000

APPLICANTS:

Diplomats, officials appointed or living in Paris, senior executives, selected graduate students

For more information and application forms please contact:

CEDS 54, avenue Marceau 75008 Paris

Phone: 33 (0)1.47.20.57.47

Fax: 33 (0)1.47.20.57.30

e-mail: capc@cepcnet.org

Establishment d'enseignement supérieur fondé en 1989

## SCHILLER

INTERNATIONAL UNIVERSITY - PARIS

Accredited Member ACICS



S.I.U., established in Europe for 30 years, offers students an American university education.

- BBA - MBA - BA - MA
- EXECUTIVE MBA PROGRAM
- SPECIALIZATION IN INTERNATIONAL BUSINESS AND INTERNATIONAL RELATIONS AND DIPLOMACY
- FULL-TIME AND PART-TIME PROGRAMS
- CAMPUSES IN EUROPE AND IN THE U.S.
- ENTRY IN FALL, SPRING OR SUMMER

FOR MORE INFORMATION PLEASE CALL:  
SCHILLER INTERNATIONAL UNIVERSITY  
32, boulevard du Vaugirard - 75015 Paris  
TEL: (33) 01.45.38.56.01  
http://www.schiller.edu

## International Executive MBA of Georgia Institute of Technology, Atlanta, USA

given at The Institute for American Universities in

### Aix-en-Provence

- MBA accredited AACSB
- Part-time 18 month program at IAU in Aix-en-Provence
- Outstanding Business Education Professors from accredited American Business Schools
- 3 week final residency in Atlanta

IEMBA

IU - Institut Universitaire de France  
Tel: +33 (0)1 44 23 57 85 Email: iemba@iuf.fr  
Website: http://www.iemba.iuf.fr

## INTERNATIONAL SCHOOL OF FRENCH LANGUAGE AND CIVILIZATION

### Alliance Française

The world's largest network of French language schools

#### FRENCH COURSES

AT ALL LEVELS AND ALSO

- SPECIALLY TAILEDOR CLASSES ON REQUEST
- EVENING COURSES
- PHONETIC CORRECTION
- WRITTEN FRENCH AND CONVERSATION COURSES
- BUSINESS FRENCH
- TEACHER TRAINING COURSES AND SEMINARS

AND MANY MORE TO SUIT YOUR NEEDS.

#### EXAM CENTER

- ALLIANCE FRANÇAISE / ALL.Y.E. (EUROPEAN STANDARD): ASSOCIATION OF LANGUAGE TESTERS IN EUROPE APPROVED BY THE MINISTRY OF EDUCATION
- D.E.L.F. / D.A.L.F. (FRENCH STANDARD) ISSUED BY THE MINISTRY OF EDUCATION

NUMEROUS SERVICES

Get in touch with us at:

ALLIANCE FRANÇAISE

Tel: 01 44 23 57 85 - Fax: 01 44 23 57 85  
http://www.alliancefrancaise.fr  
E-mail: paris.alliance@compaserve.com

## ACROSPHERE M.B.A.

### Accelerating your career in Aerospace

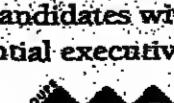
At the heart of the Aerospace industry, Acrosphere offers exceptional training, research and

TOULOUSE BUSINESS SCHOOL

has created

the Aerospace M.B.A.

in France.  
A highly selective and truly  
International Program designed  
for candidates with high  
potential executive skills.



TOULOUSE BUSINESS SCHOOL

GROUPE ESC TOULOUSE

20, boulevard Lascrosses

BP 7010 • 31068 Toulouse CEDEX 7

FRANCE

Tél.: +33 (0)5 61 29 49 56 • Fax: +33 (0)5 61 29 49 94  
e-mail: j.guiraud@esc-toulouse.fr  
http://www.esc-toulouse.fr

Clearly,

You haven't lost any time in your career moving up the ladder! Now, take the advantage of your hard earned time.

MBA

ESCP Accredited M.B.A.

The ESCP Executive MBA recognizes the specific values of European management and stands as an appropriate response to managers' demands in terms of training and personal development. The ESCP Executive MBA is compatible with a full time job. Spread over 18 months (550 contact hours): one evening a week, one weekend per month and 5 one-week global seminars in Paris, London, Brussels, Eastern Europe, South East Asia... One session a year in January. Bilingual : French/English.

Information meeting March, 4th and April, 29th, 1999 - 6.30 pm

33 (0)1 49.23.22.70

Email: penit@espc.fr

ESCP has obtained the EQUIS accreditation.

Groupe Ecole Supérieure de Commerce de Paris

75011 Paris • WEB: www.espc.fr

ESCP

École Supérieure de Commerce de Paris

75011 Paris

http://www.escp.fr

Call Ms Odile Damgaard

Tel: +33 92 057 057 • Fax: +33 92 052 009 • e-mail: odile@espc.fr

2, Avenue Prince Honoré-Albert - 75002 Paris

MC 98000 Monaco

## EDITORIALS/OPINION

**Herald Tribune**  
INTERNATIONAL  
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**Kosovo Exit Strategy**

Some opponents of U.S. involvement in the Balkans argue that Bosnia and now Kosovo could prove to be quagmires for U.S. troops. President Bill Clinton said on Friday that the United States would try to limit its involvement and its mission, and "conclude it as quickly as we can." Fair enough. But in fact a modest number of U.S. troops may need to stay for some time, and perhaps the better response would be: So what? The United States has been fighting for democracy in Europe for more than half a century. The battle is nearly won. This would be a foolish time to give up.

For decades after World War II, Republicans and Democrats alike supported the stationing of hundreds of thousands of American soldiers in Europe. It was understood that the U.S. national interest demanded stiff resistance to Soviet communism and ardent support for democracies and free markets. Now, more than anyone could have imagined a dozen years back, democracy has spread through Central and Eastern Europe. From Portugal in the southwest to Russia in the northeast, dictatorships have been vanquished. Democracy is shakier in some countries than in others, more or less reversible, but almost everywhere ascendant.

The few exceptions stand out all the more glaringly. Among them none is more egregious than Slobodan Milosevic of Serbia. As he has shown throughout this decade, one despot can cause misery and sow instability well beyond his own borders.

He did so in Bosnia, he is doing so

now in Kosovo. Nearly a half-million people have been rendered homeless in that province of 2 million by the military assaults of Mr. Milosevic's troops. Many again are in danger of exposure to hunger and cold, as Serbian troops escalate their anti-civilian offensive. Neighboring countries — Macedonia, Albania, even Turkey and Greece — could be sucked into the violence that Mr. Milosevic has unleashed.

Mr. Clinton on Friday cited all these reasons for possible U.S. intervention: the risk of more massacres, the danger of war spreading, the challenge to NATO credibility. They are all valid. But subsuming them all is the U.S. interest in completing the mission of supporting democracy throughout the European continent.

It is true that the United States should be cautious in dispatching troops, should avoid taking on nation-building exercises that may not be feasible. It is true that the United States has no overwheoming interest in whether Kosovo is independent or merely autonomous. But the United States does have an interest in helping the people of Serbia and its Balkan neighbors who want self-rule, and in opposing the tyrants who try to stifle them.

The fight between democracy and totalitarianism is never static; if America is not helping one side, it is by inaction strengthening the other. The United States should indeed have an exit strategy for its deployments: It should bring the troops home once democracy is secure.

—THE WASHINGTON POST.

**A President Is Back**

At his first full-dress news conference in 11 turbulent months, President Bill Clinton showed on Friday what normalcy could be like. It was not especially newsworthy, which may have been a White House objective.

Extremely cautious when discussing China and animated in outlining his economic program, the president referred many times to his 22 months left in office. But he also hinted that he had begun thinking about the more distant future, which could include living in New York.

There was almost no talk of confrontation with the Republicans, and no real moral or intellectual engagement with the conduct that brought about his impeachment.

All told, from President Clinton's point of view things went smoothly, leaving no reason for him not to return to a normal schedule of press conferences in the future.

Much of the session was dominated by news from overseas, the arena in which a president in his last two years of office can often make the most difference. Even at his most combative, in warning the Serbian leader Slobodan Milosevic of NATO military action in Kosovo, Mr. Clinton sounded logical and convincing but not especially bellicose.

His comments were limited and self-protective in denying that the administration had been slow to recognize possible Chinese espionage. For ob-

vious reasons, he emphasized that such activity had been going on for "years and years and years" — that is, before he took office. He defended continuing engagement with both China and Russia, but in a manner more businesslike than passionate.

A lot more passion came into play when he sounded determined to leave as his legacy the shoring up of Social Security and Medicare, as well as the national savings rate. But there was also a wistful valedictory tone that has been observed in many of his recent public appearances.

The president spoke of the loyalty of "the overwhelming majority" of his staff, an obvious slap at memorists like George Stephanopoulos. He spoke of a final "box score" that would make his look like a more proportional part of his record. And he seemed enthusiastic about the possibility of his wife Hillary serving in the Senate.

By passing up most but not all opportunities to address the scandals of the last year, Mr. Clinton was understandably trying to turn the page. In defending his foreign and domestic policies, he seemed to go out of his way not to challenge his Republican critics, particularly those who worry about intervention in Kosovo.

It was a cogent performance, making clear that Mr. Clinton needs to resume a regular conversation with the nation, and that he probably can.

—THE NEW YORK TIMES.

**A Plan for Pyongyang**

The Clinton administration has defused a dangerous crisis by persuading North Korea to permit unlimited American inspections of a suspicious construction site. Washington feared that the area was being readied for secret nuclear weapons work. But the inspection agreement leaves many problems unresolved, including the future of North Korea's provocative long-range missile program.

North Korea seems to be running an international extortion racket, trying to trade in threatening weapons programs for food, cash and other forms of assistance. Even worse, it may hope to continue secretly developing these weapons, with which it could threaten South Korea, Japan and the United States in a future crisis. America needs to change the nature of the bargaining by developing a more comprehensive approach.

Washington's 1994 agreement with Pyongyang has frozen North Korean nuclear weapons development for nearly five years. But it also has encouraged the North to seek rewards in exchange for restraining its missile program and for allowing inspections of the new construction site.

—THE NEW YORK TIMES.

**The Time Has Come to Rethink U.S. China Policy**

By Jim Hoagland

WASHINGTON — A morally and politically flawed China policy suddenly seems mortally wounded. The outburst of controversy over Beijing's behavior presents a chance for the White House and Congress to come together at last on a China strategy that serves America's interests and values.

Allegations of espionage and campaign finance efforts by Beijing strip away the self-serving abstractions of "engagement" as pursued by Presidents George Bush and Bill Clinton. So does Beijing's furious response to tempered suggestions that the United States may someday sell defensive anti-ballistic missile systems to Japan, South Korea and Taiwan.

There is a strategic conflict between China and the United States. That conflict now centers on the future of Taiwan, not on human rights or economic policy. Trying to sweep this conflict under the rug of the "strategic partnership" that Mr. Clinton has proclaimed with President Jiang Zemin is doomed to fail.

Only if you put Taiwan at its center does recent Chinese behavior toward

Washington make sense. And only by recognizing Taiwan's centrality to U.S. policy in the region can Mr. Clinton get his China policy on a steady footing. His compromising on Taiwan, aggravated by China foes in Congress who push too hard in the other direction, is at least as serious a failure as his flip-flop on human rights.

Beijing's envy and fear of Taiwan's sophisticated, legal lobbying in Congress lie at the heart of China's alleged attempts to buy influence in the Clinton White House, but this does not excuse these attempts.

China's reported theft of U.S. nuclear technology does not change the strategic balance, as various apologists for the regime or for the munanity of espionage have noted in minimizing the Los Alamos lab fiasco. Beijing is not foolish enough to engage the United States in a direct nuclear exchange simply because it gained a decisive advantage in warhead miniaturization.

But upgrading its nuclear forces

through espionage does fit Beijing's objectives of intimidating Taiwan and steadily raising the potential price to the United States of opposing the mainland's will. Any U.S. commander in chief must now take seriously the Chinese military's boast that it can take out Los Angeles if the United States chooses to defend Taiwan from invasion or direct intimidation such as the missile firings of 1995 and 1996.

The untold part of the sudden deterioration in U.S.-Chinese relations is the urgency that the Taiwan issue has gained because of Mr. Jiang's increasingly inconsistent view that his historic role is to "reunify" China by the time he leaves the scene. To do that, the 72-year-old leader must follow the handovers of power in Hong Kong in 1997 and in Macao later this year with the absorption of Taiwan — not in the fullness of time, but in short order.

Mr. Jiang has made this view clear to recent visitors to Beijing, after reportedly stressing it to Mr. Clinton in their 1997 and 1998 summits. Mr. Clinton is said to have failed to respond directly each time. And in public he has

steadily retreated from the deliberate ambiguity of previous administrations on U.S. commitments to defend Taiwan against mainland attack. He has not emphasized the centrality of the "no use of force" component of U.S. policy on Taiwan.

The administration and Congress should join in reaffirming that the United States will oppose the use of force against Taiwan and is committed to encouraging peaceful, democratic change in Chinese society.

The missile defense controversy provides an occasion to see binding, verifiable commitments from Beijing not to use force to accomplish unification — thereby eliminating the need for such weapon systems on Taiwan.

The Washington Post

**Kosovo Dilemma: NATO Alone, Without UN Backing?**

By Jonathan D. Tepperman

NEW YORK — Since 1995, when NATO took over the United Nations' peacekeeping role in Bosnia, having first bombed the Serbs into submission, there has been a confusion of the two organizations in the Western world's mind. NATO and the United Nations seem to have become interchangeable. This makes a NATO role in Kosovo seem proper.

But the fact is that NATO is not the United nations.

The United Nations is the world's preeminent international organization, dedicated to the maintenance of "international peace and security," founded to "save succeeding generations from the scourge of war."

NATO is a very different animal — the expression of a mutual defense treaty, a promise by 19 countries to back each other up in case of outside attack on any one of them.

The United Nations was formed to protect the world

from future wars. NATO was formed to protect Western Europe from the Soviet Union.

The UN Charter gives the Security Council the power to authorize sanctions or military intervention whenever it finds a "threat to the peace, breach of the peace, or act of aggression."

The North Atlantic Treaty includes no such rule. Other than pledging to abide by the general principles of the UN Charter, NATO members undertake only to fight for one another in case of attack on their territory.

By slaughtering ethnic Albanians, Serbia may well have breached international humanitarian law, but it has hardly threatened NATO territory. So why is NATO involved? Who made it the global policeman?

The answer dates back to 1994, when NATO stepped into the breach of the Bosnian war. UN peacekeepers had proved

unable to keep the warring sides apart, with disastrous consequences — made especially vivid when, in July 1995, Serbian forces overwhelmed the UN "safe haven" of Srebrenica and massacred Muslim civilians while impotent Dutch peacekeepers stood by.

NATO responded by bombing the Serbs. Five months later, the Dayton peace accord was signed, and NATO troops took the place of UN blue helmets.

NATO's actions in Bosnia were authorized by the Security Council. This gave them a stamp of legitimacy. The world community had "deputized" NATO to act.

Nothing like that has happened in Kosovo. NATO never bothered to get outside approval before it started threatening Slobodan Milosevic. In fact, NATO leaders seemed to consciously avoid

the cumbersome UN process. If NATO does end up striking the Serbs, it will be alone, unable to claim universal support.

Does this matter? NATO represents much of the Western world. Few people, in the West or elsewhere, want the bloodshed in Kosovo to continue. And it is NATO's very unilateralism — its ability to take decisive action without having to wait for the fractious Security Council to make up its mind — that makes NATO action so effective.

At least NATO is doing something about the Serbs, or promising to. Should this not be applauded? If NATO wants to expand its mission from mutual defense to international policing, should we not encourage it?

Perhaps. But at the very least, policymakers and the public in NATO countries should be very clear about what is going on.

This is NATO, a strictly regional organization, not the United Nations. Westerners

may sometimes get the two confused, but you can bet that not a lot of Russians do. If the West starts taking international law into its own hands, it better have an answer ready when the Russians or the Chinese demand to know why they should not do the same.

Just as international law isn't everything, neither is expedience the only thing to care about. Unilateral actions are often easier than multilateral ones, and going it alone is a lot faster than going through a committee, but there are reasons why we created those committees.

Before NATO members give up on the United Nations and the legitimacy it confers, they should be clear about what exactly they are doing, and prepared for others to do likewise.

The writer, an associate editor of Foreign Affairs, contributed this comment to the International Herald Tribune.

**Europeans Need an Accountable, Efficient Commission**

By Roy Denman

Bрюссель — The mass resignation in the early hours of March 16 of the 20-strong European Commission is the most sensational event in the history of the European Union.

The commission's resignation followed a damning report by an independent panel slaming fraud, mismanagement and nepotism. If the commissioners had not resigned, the European Parliament would have kicked them out.

This should not drive out a sense of perspective. An extremely rigorous inquiry into the internal workings of all member states would also probably have uncared a fair crop of scandal. And the commission has some considerable achievements to its credit.

In the 42 years of its operation it created a customs union, followed this up by

power to nominate commissioners, or to cut down the excessive number of commissioners.

And the member states have too often seen mediocrities or worse who need to be got rid of. Some commissioners over these 42 years have made a distinguished contribution to the Union's history. Many others would have been better employed peeling potatoes or breaking stones for roads.

What is needed is for the member states to:

• Give the European Parliament the right to elect the president of the commission and to reject, in the tradition of the Senate of the United States, nominees for commissioner if they judge them inadequate.

• Desist from constantly sniping at the commission. Some years ago much popular indignation in Europe was generated by an absurd regulation of the commission laying down curving limits for cucumber growers. It turned out that this was the result of a request by the Danish government at the instigation of Danish cucumber growers. If requests like this succeed, the member state concerned claims its credit; if not, it blames the bureaucrats in the commission.

• Follow the example of the French and send adequate high-quality staff to the commission. One major offender is the British government. Whitehall makes no secret of its innermost belief that the commission is a kind of comic opera army that no British high-flyer would consider joining.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Follow the example of the French and send adequate high-quality staff to the commission. One major offender is the British government. Whitehall makes no secret of its innermost belief that the commission is a kind of comic opera army that no British high-flyer would consider joining.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Follow the example of the French and send adequate high-quality staff to the commission. One major offender is the British government. Whitehall makes no secret of its innermost belief that the commission is a kind of comic opera army that no British high-flyer would consider joining.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of the fraud would never have been allowed to happen.

• Give the president of the commission the power, enjoyed

by any head of government, to fire a commissioner whom he or she finds inadequate.

• Give the commission adequate and competent staff for the jobs assigned to it by member states. If this had been done in the case of the very substantial sums disbursed for aid to Eastern Europe, most of

## U.S. Boom Is 'Virtuous Circle' That Defies Logic

By Louis Uchitelle  
New York Times Service

**NEW YORK** — The Dow Jones industrial average floats near 10,000. Jobs are plentiful. Wages are rising. Spending is everywhere. The economy booms, month after month. And nothing seems to shake the public sense of prosperity.

So why are the oracles of the U.S. economy sounding so nervous?

Listen to the chairman of the Federal Reserve Board, Alan Greenspan, who told Congress in February that the economy "appears stretched in a number of dimensions." That came on top of his insistence in September that America cannot remain an "oasis of prosperity."

Or hear out Warren Buffet, the stock-market guru, who said on national television only three weeks ago: "The level of speculation is high by any historic standard. And you know that doesn't go on forever."

The nervousness, in fact, may be appropriate. This is hardly a standard, predictable boom. Normally, there is a beginning, middle and end — the typical post-World War II pattern. After a recession or period of sluggish growth, spending and investment pick up. Low-interest loans and more jobs help the borrowing that sustains good times.

Either way, sluggish growth returns, or a recession sets in.

But the boom that started in late 1995 broke this pattern. It is like a perpetual-motion machine, each part keeping the others moving — and moving indefinitely, many Americans have come to believe.

"There is this sense that we don't have to worry about problems or adverse conditions," said Richard Curtin, director of the University of Michigan's Consumer Surveys. A "virtuous circle," economists call the new boom-chickey.

The trouble is, if one part of malfunctions or breaks, the whole contraption may collapse.

A vicious circle would replace the

See ECONOMY, Page 13

### CYBERSCAPE

## On-Line Trading Becomes a Teenage Craze

By Amy Joyce  
Washington Post Service

**WASHINGTON** — Clad in baggy jeans and surrounded by sports memorabilia, Jason Belinkie, 16, is expertly surfing the Internet on his home computer. And, like so many of his friends today, he is checking in on his latest love: the stock market.

Abercrombie & Fitch Co., America Online Inc., Intel Corp., Microsoft Corp. and Amazon.com Inc. top his list of favorite stocks.

Jason says he likes to buy stocks for things he uses. But a couple of years ago, soon after he bought Oakley Inc. stock (everyone was buying Oakley sunglasses, he explained), the stock's price went down a bit. His theory: You need to buy Oakley only once every couple of years.

He said he did not really lose much money on that venture. So he shrugged, sold it and read up on his next pick.

"I do this just about every day," Jason, a junior at Walt Whitman High School in Bethesda, Maryland, said one recent afternoon as he typed in "stock quotes" on the America Online home page, glanced at the numbers and then traveled to the day's analyst advice. Jason wouldn't disclose figures, but he said, "My earnings have about doubled."

There are no reliable estimates of how many teenagers are buying and selling stocks; trading accounts must be owned



CHECKING THE FINE PRINT — Chancellor Gerhard Schroeder of Germany taking a look Sunday at a tiny computer screen, an innovation on display at the CeBIT technology fair in Hannover.

## Shareholders Take On Big Seoul Firms

By Don Kirk  
International Herald Tribune

**SEOUL** — They shouted, heckled and asked annoying questions, but minority shareholders ultimately faced frustration in their weekend battle against five of the country's biggest, most prestigious companies.

After a nine-hour annual meeting of shareholders at Samsung Electronics Co., the flagship of the Samsung group, Jang Ha Sung, the Korea University professor who has spearheaded the campaign to lay low a battle between shareholders and management over a range of issues, emerged victorious.

Shareholders' meetings, traditionally pro forma affairs in which the executives of large companies faced no criticism, much less opposition, took a different turn this year because of shareholder activism. "It's a very close vote," said Mr. Jang, "but I think we've got a deal." The trouble is, if one part of malfunctions or breaks, the whole contraption may collapse.

"A vicious circle would replace the

See CHAEBOL, Page 13

### CYBERSCAPE

## On-Line Trading Becomes a Teenage Craze

By Amy Joyce  
Washington Post Service

**WASHINGTON** — Clad in baggy jeans and surrounded by sports memorabilia, Jason Belinkie, 16, is expertly surfing the Internet on his home computer. And, like so many of his friends today, he is checking in on his latest love: the stock market.

Abercrombie & Fitch Co., America Online Inc., Intel Corp., Microsoft Corp. and Amazon.com Inc. top his list of favorite stocks.

Jason says he likes to buy stocks for things he uses. But a couple of years ago, soon after he bought Oakley Inc. stock (everyone was buying Oakley sunglasses, he explained), the stock's price went down a bit. His theory: You need to buy Oakley only once every couple of years.

He said he did not really lose much money on that venture. So he shrugged, sold it and read up on his next pick.

"I do this just about every day," Jason, a junior at Walt Whitman High School in Bethesda, Maryland, said one recent afternoon as he typed in "stock quotes" on the America Online home page, glanced at the numbers and then traveled to the day's analyst advice. Jason wouldn't disclose figures, but he said, "My earnings have about doubled."

There are no reliable estimates of how many teenagers are buying and selling stocks; trading accounts must be owned

by adults. But evidence abounds of youths' rising interest in the market. High school stock clubs are bulging (the one at Jason's school has about 80 members), and about 200,000 American teenagers across the country — an increase of more than 50 percent since last autumn — are playing Stock Market Game 2000, one of several trading games available on the Internet.

Investor confidence among youths springs from having seen the market only go up.

What's the draw? Some of the same factors fueling the investment boom among adults.

Some 41 percent of U.S. households own stocks, a sharp increase from previous years attributed in part to the rapid growth in retirement accounts with tax advantages. Other factors include the advent of discount brokerage and online services, which have dramatically reduced the costs and increased the ease of buying and selling stocks.

And teenagers have grown up with personal computers. Jason, for example, likened his stock trading to playing a video game. Without computers, "access wouldn't be as easy," he said, adding, "I don't really pay attention to annual reports."

Teenagers also have the confidence that springs from having seen the market only go up. They are far too young to have any knowledge of the last pro-

tracted downturn in the stock market a quarter-century ago.

"Kids want to know about investing," said Mike Rauer, a history teacher and founder of the economics club at Bishop Ireton High School in Alexandria, Virginia. The club has 56 members, 50 of them trading real stocks. "All of them think about the stock market because it is doing so well right now."

To trade stocks, a minor needs a parent to set up an account with an adult named as custodian to approve any transactions, said Thomas Bird, vice president of investments with the brokerage house Legg Mason Inc.

Several teenagers said they had received stocks as gifts from relatives and then developed an interest after their parents encouraged them to follow the stocks' performance.

Meghan Long, a 17-year-old senior at Bishop Ireton, said her parents set up her portfolio when she was 13, primarily with money inherited from her grandmother.

"I have to get my parents' signature and stuff," she said. "But I make the suggestions."

She said she had started with \$9,000 in her stocks and recently estimated they were worth about \$23,000.

E-mail address:  
Cyberscape@hi.com  
Recent technology articles:  
[www.ih.com/HIGHTECH](http://www.ih.com/HIGHTECH)

### CURRENCY RATES

		March 19 Other Dollar Values										March 19											
		Currency				Pounds		Currency		Pounds		Currency				Pounds		Currency					
S	E	SF	Yen	CS	Dane	Greek	Sweat	Argent.	Pesos	Hong Kong	Swiss franc	N. Zealand	S. Africa	Thailand	Malta	Portuguese	U.S.	Sw. krona	Pol.	Malta	Portuguese	U.S.	Sw. krona
London (e)	1.6292	—	2.3821	190.81	1.4716	11.0823	479.353	13.3183	—	1.5153	6.8153	295.08	8.18	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
New York (d)	1.6286	—	1.6286	1.4673	117.155	1.5153	6.8153	295.08	8.18	1.5153	6.8153	295.08	8.18	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
Tokyo	117.65	191.52	80.73	—	77.44	17.36	N.O.	1.449	—	0.2224	0.5133	0.1848	—	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
Toronto	1.5152	2.4457	1.0359	1.2954	—	0.2224	0.5133	0.1848	—	0.2224	0.5133	0.1848	—	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
Zurich	1.4626	2.3844	—	1.2492	0.9448	21.5229	0.4976	0.179	—	0.2224	0.5133	0.1848	—	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
One euro	1.0935	0.6726	1.598	128.00	3.645	7.4715	321.52	6.912	—	0.2224	0.5133	0.1848	—	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—
One SDR	1.3703	0.842	1.9893	162.617	2.0825	9.2501	377.999	11.1408	—	0.2224	0.5133	0.1848	—	1.2978	1.2978	1.288	1.288	40.71	—	—	—	—	—

Interest rates excluding commissions.  
a To buy one pound; b To buy one euro; c Not quoted; d Not available.  
SDR Special drawing rights of the IMF.  
Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); BNP Paribas (Paris); France (Paris); IMF (SDR). Other data from Reuters.

Euro rates of the EMU member currencies, for one euro:  
Austria schilling 13.2683  
Belgium franc 5.3379  
France franc 5.5957  
French mark 1.9553  
Greece drachma 1.5953  
Irish punt 1.5953  
Italy lire 1.5953  
Netherlands guilder 5.5957  
Portug. escudo 1.5953  
Spanish peseta 1.5953

## BUSINESS/FINANCE

MONDAY, MARCH 22, 1999

TIME FORTUNE

## **NASDAQ NATIONAL MARKET**

**Consolidated prices for all shares traded  
during week ended Friday, March 19**

**Continued on Page 17**

## ECONOMY: Machine in Motion

Continued from Page 1

"virtuous one," said Robert Solow, a Nobel laureate in economics, "and feed on itself."

The perpetual-motion economy, in brief outline, works this way: The rising stock market generates the household wealth that encourages the borrowing that pays for the spending that creates the jobs and higher wages that generate the confidence that encourages people to invest in stocks and make the market rise some more.

"Many of us who have been doubters are starting to believe that this thing can go on forever," said Stephen Roach, chief economist at Morgan Stanley Dean Witter.

"That is a complacency we may live to regret. But I cannot really substantiate doubt for a good analytic reason."

The stock market, a secondary player in standard booms, is the biggest cog this time around. As stock prices have shot up, household wealth has more than doubled in recent years. Wages have risen, but not nearly as fast as the rise in household wealth.

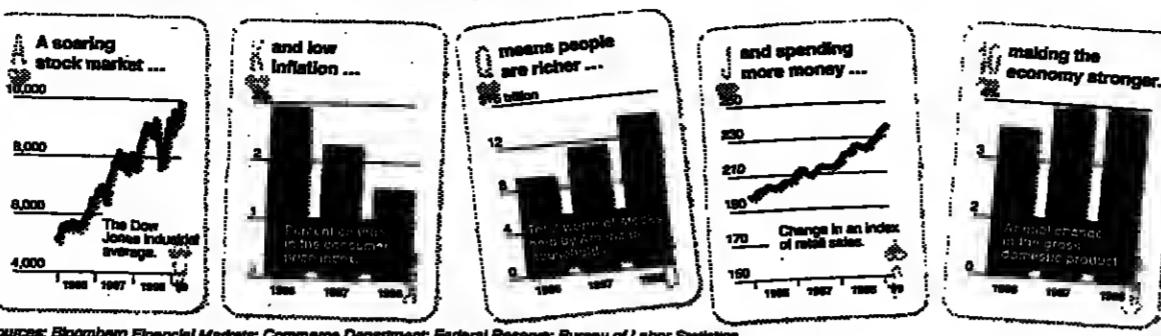
And people are spending their new wealth, either by selling stock or borrowing against it.

It is not that the stock is the actual collateral.

Instead, millions of people are putting up their homes as collateral, but with the thought, say leaders and economists,

### Betting on a Good Hand

The strength of the U.S. economy, reflected in a soaring stock market, low inflation, rising household wealth and strong retail sales, can be compared to a strong poker hand:



Source: Bloomberg Financial Markets; Commerce Department; Federal Reserve; Bureau of Labor Statistics

hand: if one "card," or indicator, changes, the economy's winning trend will be broken.

that they can sell stock to repay debt if necessary.

Mortgage and home-equity loans, as a result, are the fastest-rising form of consumer debt in recent months.

The perpetual-motion economy has other intriguing components. Inflation has stayed low, depriving the Fed of a reason to raise interest rates and provoke a slowdown. One big reason for the low inflation: Businesses here and abroad are producing more than people want to buy, even high-spending Americans.

Raw materials are particularly cheap, and the competition to sell excess production holds down prices. Not even low unemployment and rising wages offset

the downward pressure on prices.

The low inflation, in turn, produces low interest rates, which encourage people to borrow and spend on home construction, for example, and autos. Jobs are created, wages rise, confidence flourishes, and more money is invested in the stock market, creating more wealth for households to borrow against. The flywheel keeps turning.

The global economic slowdown offers a separate contribution to this self-perpetuating mechanism. Asian economies, including Japan's, are hurting. Europe is not particularly robust either. So corporate Asia and corporate Europe have turned to America, selling their

merchandise here at what amounts to discount prices, helping to keep inflation down.

There is one more link in this circle: Foreign investors take some of the dollars earned here and, rather than invest them back home, buy American securities, including stocks — and share prices rise.

"I think the boom in America that seems so enduring will come to an ironic end," said John Makin, an economist and senior fellow at the American Enterprise Institute.

"As the rest of the world does better, that will put a cap on things here for a while."

## SHORT COVER

### Renault 'Cost-Killer'

### Seen Getting Nissan Post

PARIS (Bloomberg) — The executive vice president of Renault SA, Carlos Ghosn, known in France as "le cost-killer," is the most likely candidate to become chief operating officer of Nissan Motor Co., French union officials said.

Nissan is considering an estimated 32 billion franc (\$5.3 billion) bid by Renault for a 35 percent stake. The second-largest Japanese carmaker said Sunday it would make a decision this Sunday.

Renault's cost-cutting expertise could help to turn around the Japanese carmaker, burdened with debt of 4.3 trillion yen (\$36.4 billion). Under Mr. Ghosn, Renault has shaved 3,250 francs from the average cost of building each car, helping it to return to profit.

### Lilly Stops Developing Migraine Treatment

NEW YORK (NYT) — Eli Lilly & Co. has announced that it will end development of an experimental drug that had been billed as a promising new method to treat migraines.

While analysts applauded the move Friday — the market for migraine drugs in the United States is one of the industry's most competitive — shares of Lilly extended their slide of the past two weeks, falling 1.5 percent, or \$1.375, to \$87.4375.

### Arab Oil States Endorse Decision to Cut Output

ABU DHABI (Bloomberg) — Oil ministers from four Arab states that represent about half of the output of the Organization of Petroleum Exporting Countries endorsed the decision last week by world oil producers to cut global supply by 2.7 percent to raise prices.

Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and Bahrain, which is not an OPEC member, met in Abu Dhabi to coordinate the strategy on output cuts before a full OPEC meeting

in Vienna next week. Oman, which is also a member of the Gulf Cooperation Council, was represented at the meeting by a junior oil ministry official.

### Time Warner Doubles Pay to Reward Chief

NEW YORK (Bloomberg) — Time Warner Inc. doubled the pay package of its chairman, Gerald Levin, to \$27.6 million last year, rewarding him for record profit and a doubling in the company's share price. The bulk of the increase came from options, valued at about \$18 million, that gave Mr. Levin the right to buy 1.4 million Time Warner shares.

### High-Tech Companies Sued

PHOENIX (Bloomberg) — Lucent Technologies Inc., Compaq Computer Corp. and Sun Microsystems Inc. are among 85 high-technology companies being sued by a Nevada research foundation, which claims they violated 45-year-old patents for quality-control equipment.

The Lemelson Medical, Education & Research Foundation, set up by the late inventor Jerome Lemelson, seeks millions of dollars in licensing fees for the use of "machine vision" technology.

### Bulgaria Makes Pledge To Finish Privatization

SOFIA (AP) — Deputy Prime Minister Alexander Bozhkov of Bulgaria told a meeting of international financial officials Sunday that his government would accomplish privatization by the end of this year and close or sell all unprofitable state companies by midyear.

Bulgaria has so far privatized only about 30 percent of state assets, but the private sector accounts for more than 60 percent of the gross domestic product.

### For the Record

America Online Inc. is expected to announce plans this week for its Netscape Communications Corp. unit, including possible job cuts and product offerings, analysts said. (Bloomberg)

## GUCCI: Fight Heads to Court

Continued from Page 11

ated, meets Monday.

Any decision the board takes would ultimately be subject to shareholder approval. Among the shareholders are Mr. De Sole and Tom Ford, Gucci's creative director, and they clearly favor Mr. Pinault's offer, considering that Mr. Arnault a possible ruse.

Although Mr. Arnault has bid \$85 a share, well beyond Mr. Pinault's \$75-per-share bid, Mr. Arnault's offer was made contingent on Gucci's backing out of the deal with Mr. Pinault.

Pierre Gode, a close associate of Mr. Arnault, accused Mr. De Sole of duplicitous.

While Mr. De Sole said he resisted LVMH's advances to save Gucci from French hands, he negotiated at the same time to give control of Gucci to a competing French group.

The dramatic aspects of the struggle are rooted in the personalities of the two main antagonists. Both Mr. Pinault and Mr. Arnault are keen art collectors and connoisseurs of great wines; they also are savvy but ruthless businessmen. Beyond that, the similarities pale.

## Kuwait Backs Hoechst Plan

Bloomberg News  
ABUDHABI — Kuwait Petroleum Corp., Hoechst AG's biggest shareholder, has agreed "in principle" with a plan by the European drugmaker to speed up its merger with Rhone-Poulenc SA of France to form the world's second-largest drug company.

Sheikh Sand Nasser al Sabah, Kuwait's oil minister and the chairman of Kuwait Petroleum, which owns 24.5 percent of Hoechst, said Saturday that "only technical issues" had to be resolved now that Hoechst has agreed to complete the merger this year instead of in 2001.

"We are practically in agreement," Sheikh Sand said. "It is now just a matter of dotting the i's and crossing the t's, and nothing major is left to overcome."

Kuwait Petroleum's approval is vital for the planned \$18 billion union because the state-owned company can derail the merger by voting against it. Hoechst said last week that it would speed up the merger and that it was aiming to create Aventis SA this year instead of in 2001 after Kuwait Pe-

troleum opposed an earlier plan. Aventis will rank only behind Merck & Co. in terms of drug sales.

The original merger blueprint gave Hoechst and Rhone-Poulenc up to three years to shed chemicals units and stipulated that a full merger would only occur when the unwanted divisions were out of the way.

Aventis may now end up owning chemicals assets with annual sales of about \$17 billion. Hoechst said Thursday its plan to spin off its Celanese and Ticona industrial chemicals units "needs to be reviewed" because of the accelerated plan.

Analysts said Hoechst and Rhone-Poulenc may choose to lump all of their chemical assets together with Celanese and Ticona and spin them off as one large chemicals maker.

Hoechst and Rhone-Poulenc revised their merger plan after Joergen Dommert, chief executive of Hoechst, hammered out a new plan last week in Kuwait after Kuwait Petroleum said it would not back the original plan.

"The proposed plan wasn't in the interest of the shareholders," Sheikh Sand said.

## CHAEBOLE: Shareholders Protest

Continued from Page 11

pany had been the largest single investor in Samsung Motor Co., a project that cost about \$5 billion.

Mr. Jang also cross-examined Samsung Electronics executives on why they agreed to permit Pan-Pacific Industrial Investments PLC of Ireland, a minority shareholder, to sell back most of its shares in the money-losing venture.

Mr. Jang said that Samsung Electronics and other Samsung companies stand to lose \$270 million from just that aspect of the deal, when Samsung Motor is sold to Daewoo Motor Co. under a government-arranged swap, in which Samsung Electronics would acquire Daewoo Electronics Co.

"The shareholders should not stand for it," said Mr. Jang, rejecting Samsung board members' apology for the loss.

But minority shareholders did win a few concessions. Samsung Electronics, for example, promised to add more outside directors.

"Our intention is not to fight against these companies," Mr. Jang said. "We are just attempting to change their attitudes."

## DEAL: Takeover Bids Jolt Italian Banks

Continued from Page 1

maintain control of a large chunk of Italian capitalism without putting up any new capital.

Banca di Roma shareholders are better off being part of a strong group like San Paolo-IMI than if the BCI talks had succeeded," Fabio Capra, a fund manager at ICCRI SpA, told Bloomberg News.

Coming just weeks after Olivetti SpA launched a \$38 billion hostile takeover bid for Telecom Italia SpA, these latest bids could also help redraw the map of power in Italian capitalism.

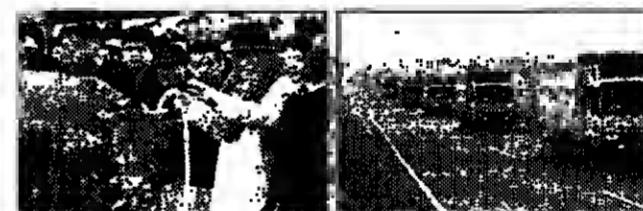
What is all the more remarkable about

the UniCredito bid is that while it is the brainchild of Alessandro Profumo, the bank's 43-year-old, reform-minded chief executive, it also has the blessing of Lucio Roncelli, UniCredito's chairman. Mr. Roncelli has been regarded as heavily influenced by Mr. Cuccia.

Under the terms of the UniCredito bid, UniCredito would offer eight of its own shares for every five BCI shares, representing a premium of 17.5 percent to holders of BCI's common shares, based on Friday's closing price, and a 45 percent premium for holders of its savings shares.

The conditions of the San Paolo-IMI offer were not immediately available.

A man who's been doing the impossible for half a century.



Chung's career trajectory may someday rank with U.S.-Chinese Ping-Pong diplomacy as a major diplomatic breakthrough. (Associated Press, November 20)  
...the high-profile catch drove a resurgence in the bitter history of relations between the two Koreas.... (Time, June 25)

...the last century since World War II is more than enough without a permanent war.... (The Washington Post, June 27)

...he will have the breeding ground for reconciliation and peace between North and South Korea.... (Sokcho Times, June 27)

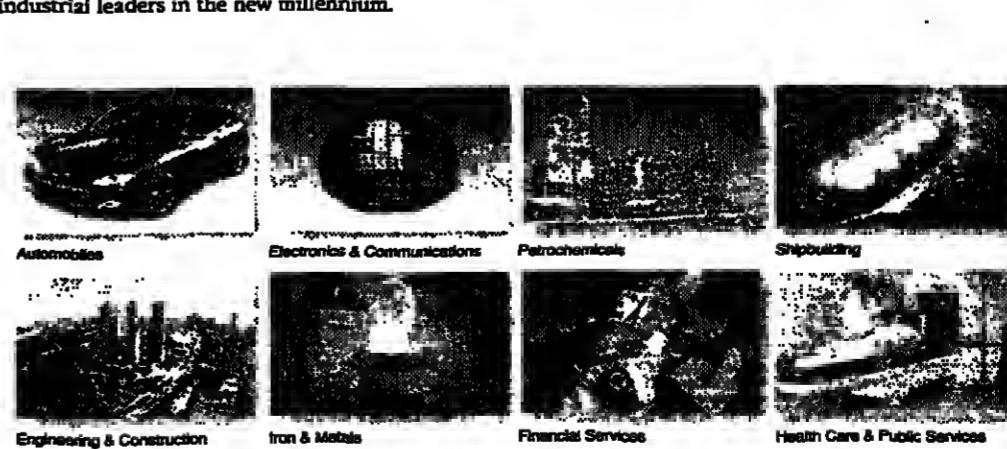
...Mr. Chung's journey is not a sentimental one. He's hoping to renew several business projects in the North.... (Financial Times, June 19)

Imagine crossing a border that's been closed for 48 years. Then imagine doing it with 1,001 head of cattle.

Achieving the "impossible" is nothing new for Chung Ju-yung, the 83-year-old Founder and Honorary Chairman of Korea's Hyundai Business Group.

This is the same man who literally brought the sea to its knees, reclaiming land on Korea's west coast with a large tanker destined for scrap. And the one who ingeniously used a small fleet of barges to transport prefabricated components nearly halfway around the world 19 times to build Jubail Harbor in Saudi Arabia, one of the construction wonders of the 20th century. In these and countless other projects over the past half-century, Chung found a way where others said it couldn't be done.

As Hyundai looks toward the future, we share Chung's spirit - an unwavering drive and ambition that has made us what we are today. And what will propel us into the ranks of the world's industrial leaders in the new millennium.



**HYUNDAI**

<http://www.hyundai.com>

## CAPITAL MARKETS ON MONDAY

**U.S. Corporate-Performance Gadfly Looks Abroad**By Hilary Rosenberg  
New York Times Service

**N**EW YORK — Robert Monks, a money manager and shareholder-rights proponent, has long been a sort of Lone Ranger of American investing, charging in to extort companies to change their ways in the name of helping shareholders.

Now, profitate managers abroad are starting to pay heed to Mr. Monks. The Lens Fund, the institutional investment vehicle he runs, is being folded into Hermes Pensions Management, a British concern with \$40 billion (\$35.3 billion) under management, which is owned by a giant pension fund, BT Pension Scheme.

Mr. Monks, 65, will help oversee investing at Hermes Lens International, which will be a holding company for the Lens Fund, soon to be renamed to reflect its new status.

"After the deal's closing, which is imminent, the Lens Fund will have a big-name backer. With new asset commitments from Hermes and new market-

ing, the fund's assets under management are expected to rise from \$100 million to about \$220 million.

In Britain, Hermes Lens International will oversee UK Focus, a joint Hermes-Lens fund that Mr. Monks already helps manage. It has been active since last October and has about £150 million in assets. Mr. Monks said Hermes Lens International would manage a family of

## INVESTING

funds, with new offerings in Europe and Japan.

Why did Mr. Monks, at an age when others ponder retirement, choose this new effort? Because it is a mission. "What I do make power accountable," he said.

With its extra resources, the U.S. fund plans to step up its activities. There is plenty of corporate mismanagement about, said Mr. Monks, who contends that the strong U.S. economy has hidden many sins that eventually will come to light.

One red flag is executive pay. Mr. Monks said excessive compensation

sighted that a company's board was not truly independent of its management.

Mr. Monks' brand of activism amounts to a kind of value investing. Lens buys large positions, typically under 5 percent, in a few underperforming companies and then tries to persuade their managements to make changes that Mr. Monks expects to benefit shareholders. If they will not, he allies others with proxy fights or takes his arguments to the news media.

Lens's investing style, in six years of operation through Dec. 30, 1998, returned 23.1 percent a year, on average, compared with 20.5 percent for the Standard & Poor's 500 stock index.

Mr. Monks is "the founder of the modern corporate-governance movement and certainly its most effective advocate," said Richard Schleifer, director of corporate governance at TIAA-CREF, a giant retirement fund.

Lens now owns shares in six U.S. companies, and this month Mr. Monks started a campaign for a board seat at Juno Lighting Inc., a maker of lighting fixtures based in Des Plaines, Illinois, in which Lens has a 6.7 percent stake. Lens began buying Juno shares in October 1997, at just over \$18.

There are two problems at Juno, Mr. Monks says: Nearly half of its assets are in cash, and only one of its five board members is an independent outsider. Juno did not return phone calls seeking comment.

In an analysis early last year, Lens stated its belief that Juno's stock could rise to \$31 a share if it put its cash to work. Its shares closed Friday at \$20.875, up 12.5 cents.

A successful investment has been Reader's Digest Association. Given its declining profit and lack of independent outside directors, it seemed an ideal stock pick for Lens, and although a pair of charitable foundations control the company as holders of the voting class of shares, Mr. Monks felt that Lens could influence the situation. The fund started buying Reader's Digest Class A shares in December 1997 at just over \$23. The company has added independent directors and reduced costs, and the stock is now at \$34.875.

## Reader's

JAKARTA — The Indonesian government plans to issue more than \$30 billion worth of bonds late next month and in the process generate what it hopes will be the country's first Treasury bond market. But it will not be a quick start.

The transaction itself will take about two minutes, officials say, but it will be many months, even years, before the bonds are traded in a secondary market.

"We have to reduce interest rates bit by bit," Mr. Joyosumarto said.

A trader at European bank said "they've got to push SBI rates down first but they can't because the rupiah is still so vulnerable."

Whatever rates become established, no one expects a major revival of interest in the market until at least after the June 7 national election.

## ■ Jakarta Debt Talks Resuming

Indonesia is set to resume talks with foreign creditors in London on Tuesday to restructure about \$2.5 billion of government debt, said Boediono, chairman of the country's planning and development board. Bloomberg News reported from Jakarta.

The negotiations follow talks that were held in September in Paris when Jakarta, grappling with its worst economic slump in a generation, rescheduled payments of \$4.2 billion.

**Most Active International Bonds**

The 250 most active international bonds traded through the Euroclear system for the week ending March 19. Prices supplied by Telekurs.

**British Pound**

100-Britain 7 06/07/99 6.62500  
100-Britain 4 43/09/2002 93.7743 4.74000  
125-Future Rentex 2 zero 06/07/02 90.2644 3.15000  
171-Future MBS 6% 06/07/02 05.00000 6.52000  
216-Fin Reit Hous 11.1249/00 154.5452 4.74000  
221-The Higher Ed 4.3397/02/42/29 104.2629 6.62000

**Danish Krone**

43-Denmark 6 11/15/00 113.86000 5.27000  
52-Denmark 7 12/15/00 113.70000 5.25000  
54-Denmark 8 05/15/01 114.30000 6.82000  
63-Denmark 7 11/15/01 114.56000 5.62000  
78-Denmark 8 07/15/02 112.24000 5.25000  
92-Denmark 4 10/15/02 112.24000 5.25000  
95-Denmark 6 11/15/01 112.71000 5.25000  
102-Denmark 6 11/15/02 108.50000 6.11000  
132-Denmark 6 10/15/02 108.50000 6.11000  
152-Denmark 7 11/15/02 124.75000 5.25000  
183-Denmark 7-Bill zero 11/15/99 97.9343 3.31000  
187-Realkredit 6 10/15/02 77.25000 5.25000  
217-Denmark & Tiffs zero 06/15/02 77.25000 5.25000  
229-Urkreditt 6 10/15/02 78.0500 4.12000

**Deutsche Mark**

139-Worl Bank 7% 04/12/00 117.73000 6.52000  
141-Germany Bills 7% 04/12/00 99.00000 5.34000  
238-TVA 6% 09/18/00 115 3.54000

**Euro**

1-Germany 5% 01/04/00 109.4525 4.74000  
2-Germany 5% 01/04/00 98.4767 3.81000  
3-Bundeskredit 3% 11/11/00 103.8027 4.72000  
4-Germany 5% 07/04/00 103.8027 4.72000  
5-Germany 4% 07/04/00 106.2065 4.74000  
6-Germany 4% 07/04/00 114.20000 5.25000  
7-Germany 7% 10/01/02 114.20000 5.25000  
8-Germany 7% 10/01/02 114.20000 5.25000  
9-Germany 3% 08/01/02 104.14 3.67000  
10-Germany 5% 05/10/02 104.25000 5.25000  
11-Germany 3 12/15/00 100.0457 3.60000  
12-Germany 5% 01/04/02 100.44000 5.62000  
13-Germany 5% 01/04/02 100.44000 5.62000  
14-Germany 4% 07/04/02 123.8957 5.25000  
16-Germany 6% 01/04/02 111.7513 7.16000  
17-Germany 7% 01/03/02 113.8200 6.17000  
18-Germany 7% 01/03/02 113.8200 6.17000  
19-Germany 7% 07/22/02 114.3767 6.82000  
20-Germany 8% 12/20/00 109.4600 6.82000  
21-Germany 4% 02/18/02 103.2320 4.72000  
22-Germany 7% 12/20/00 113.1847 6.30000  
23-Germany 4% 01/04/02 103.7690 6.20000  
24-Treasury 5% 01/04/02 113.8957 5.25000  
25-Germany 6% 01/04/02 111.7513 7.16000  
26-Germany 6% 05/12/02 107.3759 5.40000  
27-France 5% 01/12/02 100.5400 3.60000  
31-France 5% 01/12/04 100.5400 3.60000  
38-France 5% 01/12/02 100.5400 3.60000  
46-Germany 5% 04/22/02 112.1275 5.72000  
47-Germany 5% 04/22/02 112.1275 5.72000  
48-Germany 5% 04/22/02 112.3355 7.34000  
49-Germany 5% 04/22/02 112.3355 7.34000  
50-Germany 5% 04/22/02 112.3355 7.34000  
51-Germany 5% 04/22/02 112.3355 7.34000  
52-Germany 5% 04/22/02 112.3355 7.34000  
53-Germany 5% 04/22/02 110.5833 8.14000  
57-Germany 9 10/20/00 109.1361 8.20000  
58-Germany 5% 11/20/00 102.4557 4.75000  
59-Germany 5% 11/20/00 102.4557 4.75000  
60-Germany 4% 11/20/00 104.2700 4.50000

**The Week Ahead: World Economic Calendar, March 22-26**

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg News.

**Asia-Pacific**

Expected This Week

Taipei: Asian Development Bank seminar on the ADB and business opportunities in Taiwan. Monday and Tuesday.

**Europe**

Bern: President Jiang Zemin of China visits Switzerland. Thursday to Saturday.

**Americas**

Denver: Convention on World Service Providers, featuring officials from Cisco Systems Inc. and MCI WorldCom Inc.; Tuesday and Wednesday.

Monday March 22 Hong Kong: Consumer price index for February. Tokyo: Machine-tool orders for February.

Bern: Salary index for 1998. Copenhagen: Consumer price index for February. Lisbon: National Statistics Institute to release Portugal's February economic overview.

Mexico City: Preliminary trade balance for February. Ottawa: January retail trade figures.

Tuesday March 23 Hong Kong: Retail sales for January. Wellington: Labor costs in the fourth quarter.

Frankfurt: German construction union IG Bau meets with employers for wage talks. London: Retail price index for February.

Buenos Aires: Industrial production figures for February. Mexico City: Retail and wholesale sales in January.

Wednesday March 24 Singapore: Consumer price index for February. Sydney: Westpac Banking Corp.'s index of leading economic indicators for December.

Madrid: Regular Treasury auction of 12-month and 18-month bills. Stockholm: January retail sales.

Ottawa: January international securities transactions figures. Washington: Durable-goods orders for February.

Thursday March 25 Manila: Government to auction Philippine Associated Smelting & Refining Corp. Taipei: Data on exports, unemployment and industrial production index for February.

Copenhagen: Wholesale price index for February. Paris: Estimate of the trade balance in January. Stockholm: February producer price figures.

Ottawa: Industrial product price figures for January. Washington: Weekly unemployment claims.

Friday March 26 Sydney: New motor vehicle registrations for February. Wellington: Figures on economic growth in the fourth quarter.

Vienna: Institute for Advanced Studies holds news conference on economic forecasts for 1999.

Ottawa: Raw-material price index figures for February. Washington: Weekly report on commercial and industrial loans at U.S. commercial banks.

**Indonesia Sets Groundwork For a Treasury Bond Market**

Reuters

Under the capitalization program, the central bank will issue about 300 trillion rupiah (\$33.89 billion) in bonds, to be handed over to banks, which will collect the coupons.

But bankers noted that rates would have to fall so that the new securities would be more attractive than material quick start.

The transaction itself will take about two minutes, officials say, but it will be many months, even years, before the bonds are traded in a secondary market.

"We have to reduce interest rates bit by bit," Mr. Joyosumarto said.

A trader at European bank said "they've got to push SBI rates down first but they can't because the rupiah is still so vulnerable."

Whatever rates become established, no one expects a major revival of interest in the market until at least after the June 7 national election.

**Inflation News Spreads Hope for Bonds**

Bloomberg News

NEW YORK — The U.S. bond market may be shaking off its winter blues, thanks to a conviction that inflation poses no threat, analysts said.

Treasury securities held their ground last week in the face of the kind of news that might have been expected to spur big losses for bonds: The Dow Jones industrial average passed 10,000 points in intraday trading for the first time.

AT&T Corp. arranged what could be a record corporate bond sale and crude oil prices climbed to a five-month high.

The reason for bonds' resilience? "Inflation is well under control," said Randy Bateman, who helps oversee \$1 billion at Sun Trust Private Capital Group in Orlando, Florida. "We're still in a rally that could carry us to 5.25 percent in six weeks," he said, referring to the 30-year Treasury bond's yield.

The government reported Thursday that consumer prices barely budged in February, providing more evidence that robust U.S. growth was not leading to inflation, which erodes the value of bonds. Good inflation news helped Treasury securities recover some of the ground they lost in February — their worst month since 1981.

After inflation is taken into account, bonds yield 3.94 percent, near their highest since July and a level that is

attractive to some investors.

"We've had a lot of good news on inflation, which has alleviated fears that the Federal Reserve may raise interest rates soon," said Kevin Kennedy, who helps oversee \$33 billion of fixed-income securities at Citibank Global Asset Management in New York.

That said, there are obstacles to further gains. Bonds posted their biggest decline in two weeks Friday on concern

## U.S. CREDIT MARKETS

that the size of the AT&T sale will be increased, sapping demand for Treasury debt.

Randy Bateman, who helps oversee \$1 billion at Sun Trust Private Capital Group in Orlando, Florida. "We're still in a rally that could carry us to 5.25 percent in six weeks," he said, referring to the 30-year Treasury bond's yield.

AT&T has said it may sell more than \$6 billion of bonds this week. Investors said Friday that AT&T had received about \$11 billion of tentative orders for the securities, leading to speculation it might increase the sale. If so, it could easily top the record \$6.1 billion sale last year by MCI WorldCom Inc.

The big sale is "weighing" on the market, said Tony Crescenzi, head government trader at Miller Tabak Hirsch & Co. It has been almost four years since AT&T last launched a bond offering. The sale, considered likely to total at

least \$8 billion, will be announced and priced by midweek, analysts said.

Companies led by Fannie Mae, Peconic Energy Co. and R&B Falcon Corp. sold more than \$1 billion of debt last week.

The climb in crude-oil prices and strong economic growth also have some investors fretting that the best news on inflation may be past. The economy grew at a 6.1 percent annual pace in the fourth quarter of 1998, and there is little sign that it has lost much steam since then.

## **U.S. MUTUAL FUNDS**

**Figures as of close  
trading Friday, March 19**

**fund footnotes:** *e* - ex; *c* - capital gains  
*g* - gains; *l* - losses; *nc* - no change; *n* - stock  
and bond sales lost may apply; *t* - footnotes p and q



## THE INTERMARKET

FOR EUROPE +44 171 510 5748  
FOR THE AMERICAS 1-800 572 7212  
FOR ASIA +852 2922 1188

## RECRUITMENT



National University of Ireland, Galway  
Ollscoil na hÉireann, Gaillimh  
Applications are invited for the following full-time permanent posts:

**SCHOOL OF LAW**  
**PROFESSOR OF HUMAN RIGHTS LAW**

The Irish Centre for Human Rights was founded at NUI Galway in 1980 to promote the understanding of Irish, European and international Human Rights issues. Since then it has emerged as a leading Centre of research and teaching on Human Rights and has pursued its objectives through international workshops, conferences, lectures and research projects.

In 1998 Human Rights was selected as one of five key areas of academic excellence at NUI Galway for major support and has attracted substantial external funding. The newly extended Centre will conduct an active research programme, addressing such key human rights issues as refugee rights, racism and xenophobia, anti-drugs legislation, public order issues, freedom of speech, women's rights and emergency security legislation.

As part of this important development, NUI Galway now invites applications from suitably qualified applicants for the post of Professor of Human Rights Law. It is anticipated the successful applicant will be appointed Director of the Irish Centre for Human Rights, and will accordingly have demonstrated the qualities of dynamic leadership required for such an appointment.

The successful candidate will ideally possess:

- An outstanding track record of human rights research and publication.
- Excellent capacity to lead and direct research teams and supervise post-graduate students.
- Substantial familiarity with the operation of intergovernmental organisations, NGOs or internationally oriented governmental agencies.
- High-level administrative abilities including staff management and financial control.
- A strong leadership capacity to impact upon public policy in the field of human rights.
- Ability to develop and manage an internationally recognised academic programme in human rights law.
- Energy and determination to attract research funding and external support for the activities of the Irish Centre for Human Rights at NUI Galway.

Salary: IR£48,625 x 7 - IR£62,232 p.a.

€61,741 x 7 - €79,018 p.a.

For informal discussion, contact: Professor Colm Campbell, Dean of the Faculty of Law. Tel: 353-91-730344.

Further information may be obtained from:

The Personnel Office,  
National University of Ireland, Galway, Ireland.  
Tel: 353-91-750360; Fax: 353-91-750523

E-mail: [Personnel@mis.nuigalway.ie](mailto:Personnel@mis.nuigalway.ie)

Closing date for receipt of completed applications is Friday, 30th April, 1999.

National University of Ireland,  
Galway is an equal opportunity employer.

# So many jobs. So little time.

Now the quickest way to the right employment opportunities is on-line at [CareerPath.com](http://www.CareerPath.com). Powered by leading newspapers, CareerPath.com brings you the greatest number of the most current jobs available on the Web.

So visit us at [www.CareerPath.com](http://www.CareerPath.com) today!



Worldwide leader in Airline based in CDG Airport

## PERSONAL ASSISTANT General Manager

English mother tongue, fluent French.  
Minimum 5 years previous experience at similar level.  
Excellent client contact.  
Word - Excel and Powerpoint literate.  
Potential to evolve within the company.

Please apply to LSG SKY Chefs France - Myriam BRILLAT  
14/16, rue de la pomme bleue 95713 ROISSY CDG.



# Find A Job, Fast!

<http://www.washingtonpost.com>

## The Washington Post Career post

De votre Carrière

• Du 21 au 23 juin 1999, EMDS organise en partenariat avec 11 Grandes Ecoles françaises, son 49<sup>e</sup> événement de recrutement à Paris : « CAREER FUTURES FRANCE »

Vous reconnaîtrez-vous dans ce profil?  
• Bac +4/5  
• Bilingue Français-Anglais  
• Entre 2 et 7 ans d'expérience professionnelle  
• Mobile

Candidats préselectionnés, venez rencontrer pendant deux jours les grandes entreprises françaises et internationales.

Adresser dès aujourd'hui votre candidature à :

EMDS Consulting, Career Futures France,  
10 Place de la Madeleine, 75008 Paris.  
Tél : 01 44 50 17 05 ou par Fax au 01 44 50 17 01.  
Email : [cff@emds.net](mailto:cff@emds.net), [www.emds.net/careerpost/](http://www.emds.net/careerpost/)



## THE GRENOBLE GRADUATE SCHOOL OF BUSINESS

a leader in education and research in Technology and intercultural Management,

is recruiting

### Consultant Professors Ph.D. level

An enthusiast of business start-ups and coaching, your goal is to take part in an ambitious and novel pedagogical and development project. Highly motivated by innovative start-ups, you are particularly interested in the impact of technology and innovation on management and business administration.

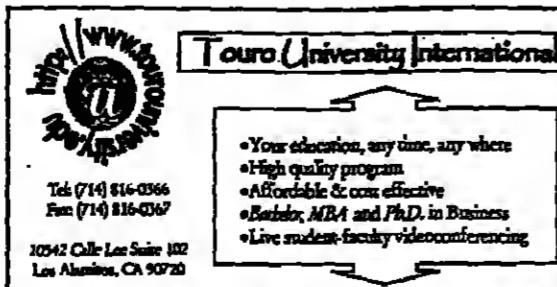
Please send your resume and letter of motivation to Marc Humbert, Director of Professorial Resources.  
E-mail : [humbert@esc-grenoble.fr](mailto:humbert@esc-grenoble.fr)



12, rue Pierre Sémaré - BP 127  
38003 Grenoble Cedex 01 (France)

Touro University International

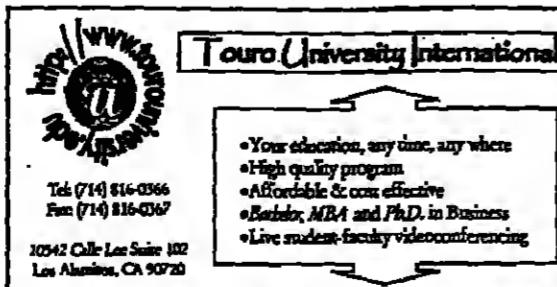
- \*Your education, any date, any where
- \*High salary program
- \*Affordable & cost effective
- \*Master, MBA and PhD in Business
- \*Live student faculty videoconferencing



The Leading Internet University  
Email: [registration@tourouuniversity.edu](mailto:registration@tourouuniversity.edu)  
Web Site: [www.tourouuniversity.edu](http://www.tourouuniversity.edu)

## EDUCATION

U.S.A.



The Leading Internet University  
Email: [registration@tourouuniversity.edu](mailto:registration@tourouuniversity.edu)  
Web Site: [www.tourouuniversity.edu](http://www.tourouuniversity.edu)

## Kräfte bündeln, um gemeinsame Ziele zu erreichen

Bei diesem Anliegen unterstützen wir unsere Kunden. Wir begleiten Einzelne, Teams und ganze Unternehmen dabei, Visionen, Strategien und Ziele zu entwickeln – und sie tatsächlich umzusetzen. Durch die Steuerung von Veränderungsprozessen, durch Beratung, Training und Coaching versetzen wir unsere Kunden in die Lage, vorhandene Potentiale gezielt zu nutzen und diejenigen Kompetenzen weiterzuentwickeln, die besonders wichtig sind, um gesteckte Ziele zu erreichen.

Unser Beratungsgruppe wurde vor 35 Jahren in England gegründet und ist mittlerweile in 8 Ländern vertreten.

Für nationale und internationale Projekte, die wir von Deutschland aus betreuen,

suchen wir Kolleginnen und Kollegen als

## Coverdale

A member of the International Coverdale Group

Mitbringen sollten Sie  
– einige Jahre Berufserfahrung – möglichst mit Führungs- oder Projektverantwortung;

– ein Gefühl für die Herausforderungen, denen sich Menschen, Teams und Organisationen in Veränderungsprozessen stellen müssen;

– eine ausgeprägte Fähigkeit, in komplexen Situationen den Überblick zu behalten.

Wir suchen Kolleginnen und Kollegen,

– die eine langfristige Perspektive in einem partnerschaftlichen Team suchen;

– die bereit sind, ständig Neues zu lernen und den eigenen Standpunkt immer wieder zu überprüfen;

– die Interesse haben, sich als Mitgestalter und Miteingeschaffter bei uns zu engagieren.

Wir freuen uns auf Ihre Bewerbung.

Bitte schreiben Sie unter Angabe der Referenz IHT200399 an Thomas Weegen,

Coverdale Team Management Deutschland GmbH, D-81541 München

Bewerberinnen und Bewerber, die in die engere Wahl kommen, werden wir zu einem Workshop zum gegenseitigen Kennenlernen vom 16. bis 18. April 1999 einladen.

## Trainer/in Berater/in

## EDUCATION

### GREAT BRITAIN

Distance Learning only, aimed at the professional market & wide range of subjects.  
APL / Portfolio Assessment programmes. No formal examinations.

King'sbridge University,  
Dept. MTG, Gurnard Road, King'sbridge, TQ11 8LG, ENGLAND.

Tel: +44 01824 875224  
Fax: +44 01824 875774  
<http://www.kingsbridge-un.ac.uk>

### HUNGARY

#### Hungarian Language Classes

At THE BRIDGEON SUMMER SCHOOL, HUNGARY (Founded in 1927)

• Super intensive Spring Course (120 hours 23 May - 5 June 1999)

• Summer Course (120 hours, language and culture)

18 July - 14 August 1999

• Special intensive Autumn Course (120 hours) 27 October - 7 November 1999

We offer language classes of levels, with full cultural programme, excursions and job interview.

Contact:

Nyír Egyetem H-1040 Budapest, PL 36

Tel/Fax: +36 52 482 117

E-mail: [nyir@kingsbridge.un.ac.uk](mailto:nyir@kingsbridge.un.ac.uk)

<http://www.kingsbridge.un.ac.uk>

### FRANCE

## IFG LANGUES FOR EXECUTIVES

One to one classes  
Telephone classes  
Group classes

37 quai de Grenelle, 75015 Paris

Tel: 01 40 59 31 38 - Fax: 01 40 59 31 04

Internet address:  
<http://www.ifg.com>

## GENERAL

### OFFSHORE COMPANIES

#### OFFSHORE COMPANIES TRUSTS & FOUNDATIONS FROM US\$350

Since 1977 we have specialised in

advising on the use of offshore

corporations, trusts and other

offshore structures for tax avoidance

and corporate tax savings end to

minimum privacy.

We Incorporate In ALL offshore

Jurisdictions and offer full post

incorporation services -

professionalism and at reasonable

costs.

Example of Incorporation Fees

ISLE OF MAN.....\$225

DOMINICA.....\$850

US\$450

TCI.....\$900

BELIZE.....\$1,000

INTERNATIONAL COMPANY

SERVICES (IHL) LIMITED

The Offshore Professionals

[www.ifg.com](http://www.ifg.com)

Tel: +351 21 747 0011

Fax: +351 21 661 8493

E-mail: [ifg@ifg.com](mailto:ifg@ifg.com)

### Announcements

#### Herald Tribune

SUBSCRIPTION CUSTOMER SERVICE

For questions or comments about the delivery of your newspaper, the status of your subscription or about ordering a subscription, please call the following numbers:

EUROPE, MIDDLE EAST AND AFRICA: TOLL FREE 0800 4 446 7827, Fax: 0800 4 446 7827

AMERICA: 1-800 222-2211, Fax: 1-800 222-2211

ASIA: 031 556 0000, 031 556 0001, Fax: 031 556 0002

AUSTRALIA: 03 9555 1000, Fax: 03 9555 1001

NEW ZEALAND: 09 377 0000, Fax: 09 377 0001

INDIA: 011 406 0000, Fax: 011 406 0001

CHINA: 010 851 1000, Fax: 010 851 1001





## SPORTS

**Ohio State Returns to Final Four, and UConn Gets There for First Time****Transformed Buckeyes Hold Off A Late Rush by St. John's, 77-74***The Associated Press*

KNOXVILLE, Tennessee — Scoonie Penn predicted that Ohio State would rebound from one of its worst seasons ever with a trip to the National Collegiate Athletic Association men's basketball tournament. But even he was not bold enough to predict a berth in the Final Four.

Penn and his backcourt mate Michael Redd combined for 42 points and 13 assists Saturday as Ohio State beat St. John's 77-74 for the NCAA South Regional championship.

The Buckeyes, who went 8-22 last season and finished last in the Big Ten, are headed to the Final Four for the first time since 1968.

"It's just really, really hard to put into words the feelings shared by all of us," said Ohio State's second-year coach, Jim O'Brien. "It is hard to imagine that we have put ourselves in this position. This is as good as it gets for the time being."

Penn, who didn't play on last year's team, had 22 points and eight assists against St. John's and was named the most valuable player of the South Regional tournament. Redd added 20 points and five assists for the Buckeyes.

"It's been a tremendous season," said Penn, who scored 26 points in Ohio State's win over top-seeded Auburn in the regional semifinals. "You can take away the MVP and I wouldn't care. When I receive an individual award, this is as good as it gets for the time being."

Penn was the only new starter this season for Ohio State (27-9), having followed O'Brien from Boston College to Columbus. He sat out last year because of transfer rules, after he and the coach had participated in the NCAA tournaments together in 1996 and 1997.

Ohio State never trailed, but it had to hold on as St. John's (28-9), playing in its first regional final since 1991, got within a point in the final minute. The Red Storm was down 76-74 with less than 10 seconds left when Erick Barkley lost control of the ball and had his only turnover in 37 minutes of action.

"I lost the ball," said Barkley, slumped over in a chair in the dressing room, his right hand covering his eyes.

"We wouldn't have had a chance to be in the game, much less have a chance to win, without Barkley," said the first-year St. John's coach, Mike Jarvis. "Hopefully, he will wake up tomorrow and understand."

Redd grabbed the loose ball and dribbled to the other end of the court. Fouled just before the buzzer, he ended

the scoring with a free throw with 0.7 second remaining.

Both Ohio State and St. John's blew scoring chances in the closing 90 seconds.

St. John's, which earlier trailed by as many as 13 points, was down 73-67 with 1:24 left when Boban Savovic traveled in the backcourt. But the Red Storm was unable to capitalize when Reggie Jessie also traveled.

No one scored again until Ron Artest's driving one-handed shot with 48.5 seconds left. Penn hit two free throws at the other end to extend the lead back to six.

Ohio State then failed to put the game away when Redd and Brian Brown both missed free throws.

The Buckeyes had a 73-71 lead when Redd missed short, and Artest drove for a lay-up at the other end. Brown missed with 19.2 seconds left, and Chodney Gray hit the first of two free throws to make it 75-74 seven seconds later.

"St. John's refused to just go away nicely and made a furious comeback," O'Brien said. "I thought we played basically well for 38 minutes and were happy to be able to hold on."

Penn made the second of his free throws and then was on Barkley when the St. John's freshman made his huge mistake.

"I'm not even sure what happened," Penn admitted. "I know the ball was bouncing freely and got into Michael's hands."

Ohio State shot 54 percent from the field and won despite getting outrebounded, 45-28.

Lavor Postell scored 24 points, including four 3-pointers, and grabbed nine rebounds for St. John's. Boosy Thornton had 18 points, and Barkley had 13.

Earlier in the second half, Ohio State twice built 13-point leads, only to have St. John's quickly get back within six points.

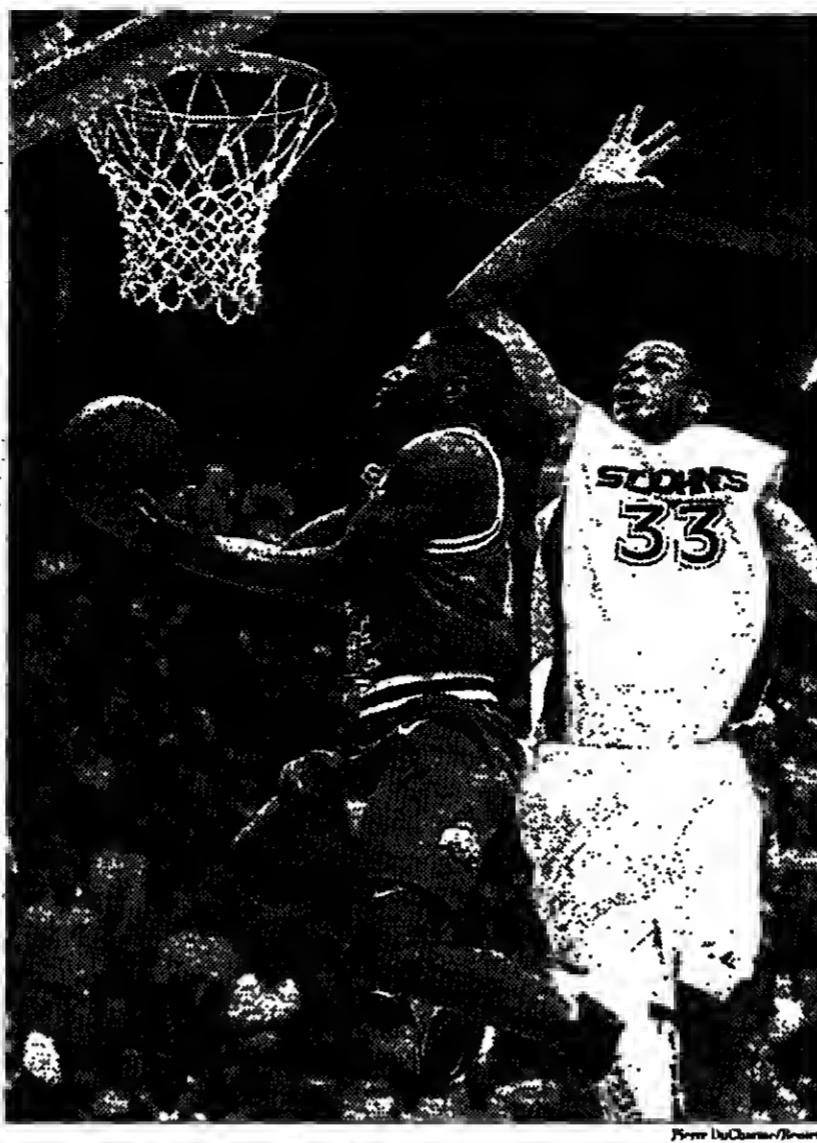
Savovic's open 3-pointer, after a pass from Redd, put the Buckeyes ahead 61-48 with 9:06 left.

Postell and Artest followed with consecutive 3-pointers for St. John's, which forced four turnovers in less than four minutes. Ohio State had just four total before that.

Ken Johnson, Ohio State's 6-foot-11 center, who finished with 12 points, scored inside on consecutive possessions to put the Buckeyes up 53-40 with just under 14 minutes left.

The Red Storm responded with seven straight points, including a lay-up and a 3-pointer by Postell in a 37-second span.

The seven blocks was one short of the



Scoenie Penn of Ohio State driving past Tyrone Grant of St. John's.

After scoring nine points in the first seven minutes of the game, including a 3-point and 4-point play, Penn was held scoreless for the rest of the half. But his backcourt partner picked up the slack.

Redd, who made a dunk for the game's first score, had 15 points in the final 11:46 of the first half. That included a 3-pointer from the top of the key at the buzzer to give Ohio State a 41-33 halftime lead.

Ohio State scored the game's first five points on the Redd dunk and Penn's 3-point play, and St. John's missed its first seven shots.

Johnson died a career high with seven blocks against the Red Storm, whose tallest starter is 6-foot-7.

The seven blocks was one short of the South Regional record set by Tim Duncan of Wake Forest in 1993 against College of Charleston.

Johnson blocked two shots the first time the Red Storm went on offense.

"Johnson was the difference," Jarvis said. "He set the tone for this game on the very first possession."

The coach added: "He controlled the game. Even though he only had 12 points, they don't win without him."

The seven blocks gave Johnson 97 for the season, tying the Ohio State school record set by Brad Sellers in 1986.

"I just had to step up and be a force," Johnson said.

After the game, O'Brien couldn't

wish the pressure from his players any more — so he danced.

"I think it was pretty obvious nobody taught me," O'Brien said, after joining his Buckeyes at midcourt for a group

rendition of the Dirty Bird, a victory step made popular by the Atlanta Falcons of the National Football League.

**Huskies Pop Gonzaga's Bubble And Overcome an NCAA Jinx***By Thomas George**New York Times Service*

PHOENIX, Arizona — When Kevin Freeman of Connecticut grabbed the bounding ball and threw it high toward the America West Arena rafters, frustration and the burdens of high expectation went with it.

Connecticut can dance. And smile. And proudly wear the look of a team that just reached the other side.

It is over — the underachieving label for Connecticut, the season and the dream for Gonzaga. On Saturday, the Huskies tripped the glory of Spokane, Washington, 67-62, in a marvelous West Regional final game before 18,053 spectators in Phoenix. And now Connecticut (32-2) boldly dashes where it has never gone in its 21 trips to the National Collegiate Athletic Association men's basketball tournament: into the semifinals.

"For the last 10 years we've had some teams make a run toward the Final Four," Jim Calhoun, the Connecticut coach, said. "I'm not disappointed in any of those kids. This is for them."

Connecticut won with a penchant for rebounding, with timely shots and with a defense that was persistent, deflating and enduring.

The defining moment came with 34.4 seconds remaining and with Connecticut ahead, 65-62, on the strength of two Khalid El-Amin free throws. After a timeout during which Calhoun set his defense and Dan Monson, the Gonzaga coach, set his offense, the teams battled. Gonzaga was looking for a 3-pointer. Connecticut was ready.

It denied the perimeter, storming to the 3-point arc, extending its defense and making the Gonzaga attempt impossible. Soon there were only 10 seconds left, and Gonzaga still was not getting even one good look at the basket.

Spinning, toiling against a wall of defense — that was the Gonzaga offense on that key possession.

Finally, Gonzaga guard Matt Santangelo was 1 for 9 from the floor, including his big miss at the end.

In the first half, Gonzaga was more timely. It led at halftime, 32-31. It did so by matching Connecticut's intensity on defense and by fighting on the boards. Connecticut usually manhandles teams in rebounding, but at halftime, its rebounding edge was only 22-19.

Connecticut forward Richard Hamilton scored 11 points in the first half. He saw and felt the Gonzaga push in a half where Connecticut's biggest lead was four points and Gonzaga's was three.

"I knew this could have been my last game," Hamilton said. "That kind of scared me. I went out to do something to try and change it."

And he did. He scored 10 more points in the second half, played superb defense on Santangelo and others and always seemed to make the big shots that Connecticut needed to keep the game manageable.

Hamilton played all but three minutes of the game and was named the most valuable player in the regional tournament. In the end, Connecticut was more glued, more sure of itself than Gonzaga. The Gonzaga season was full of magic, a 28-7 season in which it slew giant after giant. But guard Queatin Hall's team best 18 points were not enough.

**Powerhouses Duke and Kentucky Are at Full Throttle***The Associated Press*

Duke and Kentucky, the two most successful NCAA tournament teams of the 1990s, are both one victory away from another trip to the Final Four.

Top-ranked Duke beat Southwest Missouri State, 78-61, Friday night to reach the East Regional final, while defending national champion Kentucky defeated Miami of Ohio, 58-43, to advance to the Midwest title game.

For Duke, Trajan Langdon scored 24 points as the Blue Devils won their 30th straight game. Duke, which won its first two NCAA tournament games by an average of 41 points, wasn't quite as dominant against 12th-seeded Southwest Missouri.

"Anything would have been a letdown," the Duke coach, Mike Krzyzewski, said. "We've been playing great basketball, actually unusually great basketball."

Eaton Brand had 14 points, eight rebounds and five blocked shots for Duke, which ran its record to 14-1 at Continental Airlines Arena in East Rutherford, New Jersey.

Allen Phillips scored 16 points for Southwest Missouri State, which had upset Wisconsin and Tennessee to reach the regional semifinals for the first time.

In St. Louis, Scott Padgett of Kentucky scored 14 of his 17 points in the second half, and the Wildcats dominated the boards 37-18 against Miami, which got 23 points from its star, Wally Szczerbiak, but almost nothing from his teammates.

Szczerbiak was 8-for-16 from the field and finished the tournament with a 30-point average in three games, but his teammates were a collective 6-for-28 against Kentucky.

"You're not going to stop Wally Szczerbiak from

scoring, he's too good a player," the Kentucky coach, Tubby Smith, said. "What you want to do is make sure the other guys don't beat you. It's just an unbelievable performance by our team."

Miami matched its lowest point total of the season and lost to Kentucky for the 18th straight time.

Duke's opponent in the East Regional final Sunday was sixth-seeded Temple, which beat Purdue, 77-55.

Temple broke the game open after Purdue picked up two early technical fouls. The Owls then scored eight straight points to start a decisive 30-7 run.

"It kind of gave us our momentum," said Mark Karcher, who led the Owls with 21 points, including eight in the big run. "Every time we got the ball back, we executed our offense. It got us in the flow of the game, and everybody just ran the script."

Pepe Sanchez had 17 points, nine assists and six steals, and the Temple coach, John Chaney, moved within one victory of the first Final Four in his 27-year career.

Calhoun scored 14 points for Purdue, which made 13 3-pointers.

Kentucky faced top-seeded Michigan State on Sunday for the Midwest Regional title. The Spartans held Oklahoma to 33 percent shooting in a physical 54-46 victory Friday night.

Midway through the second half, the Michigan State All-American Mateen Cleaves collided with Eduardo Najera, the Oklahoma star, and both players crumpled to the court. Najera was unconscious for several minutes and came away with a concussion, a bruised breast bone, a chipped tooth and a cut on his chin that required six stitches.

Cleaves also lay nearly motionless for several minutes but, like Najera, later returned to the game.

"It was an ugly game," Cleaves said. "But the guys

are coming through. We've come together as a team and we're in the Great Eight."

Duke and Kentucky each have won two national championships and made four trips to the Final Four this decade.

If they make it to the Final Four this year, they would meet Saturday in the national semifinals in St. Petersburg, Florida. That would be a rematch of the memorable South Regional final last year, in which Kentucky overcame an 18-point deficit to beat Duke, 86-84.

The schools have met five times in the NCAA tournament, including the Wildcats' 94-88 victory in the 1978 national title game and the Blue Devils' 104-103 overtime victory in the 1992 East Regional final.

**Iowa State Women Stun Connecticut**

Iowa State finally gave the NCAA women's basketball tournament an upset worth talking about.

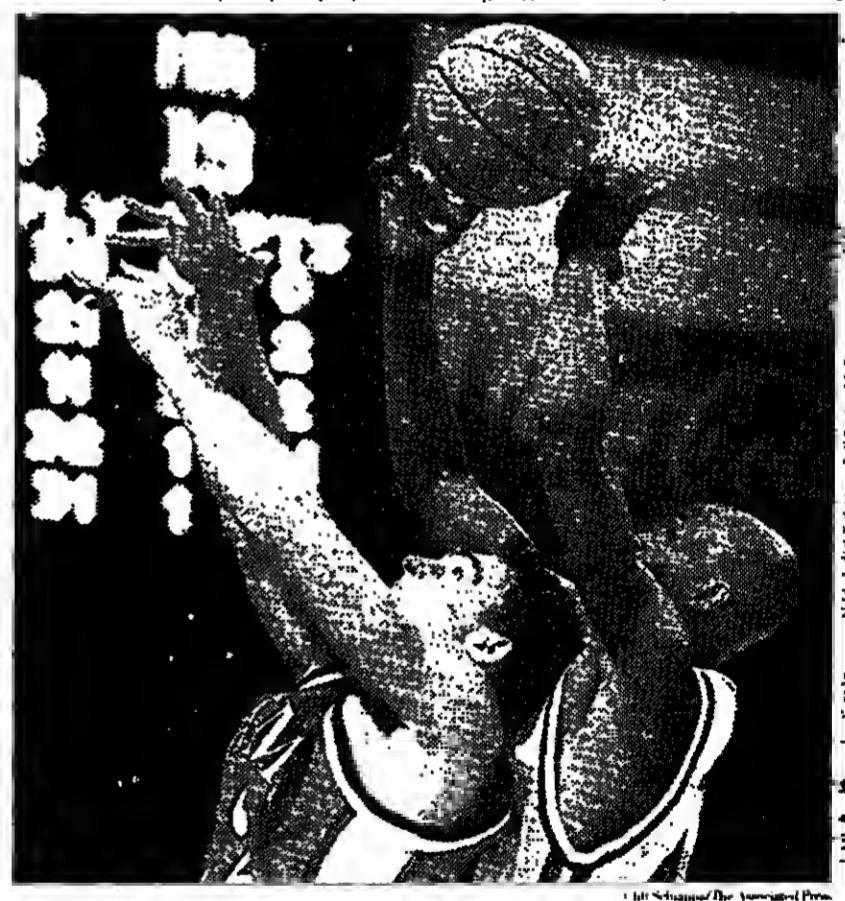
Playing in the round of 16 for the first time, Iowa State stunned top-seeded Connecticut, 64-58, Saturday in the MidEast Regional in Cincinnati.

The fourth-seeded Cyclones won by finding their trademark 3-point shooting touch down the stretch, and they are now just one victory from the Final Four. Iowa State had never even played in the NCAA tournament before 1997.

"That's our game," said Stacy Frese, Iowa State's main 3-point shooter. "We've been shooting a lot of 3s the whole year."

It was Connecticut's first loss in a regional semifinal and came after all 16 top seeds in the tournament had survived the first two rounds.

Connecticut, which led the nation in scoring and field goal percentage, shot only 30 percent against Iowa State's zone defense.



Miami of Ohio's Wally Szczerbiak, left, and Kentucky's Souleymane Camara.

**CROSSWORD**

**ACROSS**

- 1 Not so much
- 5 The "A" in N.E.A.
- 6 Spelunker
- 14 Very much
- 15 Partner of potatoes
- 18 Martini garnish
- 19 Neighbor of Senegal
- 20 100%
- 21 Actress Braga of "Kiss of the Spider Woman"
- 22 Neighbor, e.g.
- 23 Harlow, e.g.
- 24 Aspen attire
- 25 Gift decoration
- 26 Sawbuck
- 27 12th graders: Abb.
- 28 Sailor's "stop!"
- 29 Cpl. or sgt.
- 30 Came to a perch
- 31 Bees
- 32 Transport
- 33 Nothing but
- 34 Sun, e.g.
- 35 Wound up
- 36 Springsteen's "Born in the
- 37 Stem
- 38 Gorilla
- 39 Shyly neat
- 40 Brushoff, maybe
- 41 Compound, for short
- 42 Broken arm holder
- 43 Post-wash cycle
- 44 Man of — (Superman)
- 45 Underhanded
- 46 "What — you getting?"
- 47 No longer asleep
- 48 — Lanika
- 49 Storage area
- 50 Higher ground
- 51 Van Gogh painting that set an auction record in 1987
- 52 Puff snake
- 53 Chutzpah
- 54 Instrument that's blown into
- 55 In person
- 56 Drawer site
- 57 Cleveland's lake
- 58 In need of a shampoo
- 59 Louisiana marsh
- 60 Pizza fixtures

**Solution to Puzzle of March 19**

<table border="1

MONDAY, MARCH 22, 1999

PAGE 20

**WORLD ROUNDUP**

**Holyfield and Lewis Sign for a Rematch**

**BOXING** Evander Holyfield and Lennox Lewis have signed for a rematch of their heavyweight boxing bout, probably in September, the promoter Don King said Sunday.

King said on Fox News television that a rematch was the only way to settle the controversy caused when their fight in New York this month was judged a draw. (Reuters)

**Schmitt Ski-Jump Victor**

**SKI JUMPING** Martin Schmitt of Germany captured the ski jumping World Cup title by finishing third in the final event of the season Sunday in Planica, Slovenia.

Schmitt, 21, the sensation of the season, was beaten by two Japanese jumpers in the ski flying event. But third place was enough for him to secure the title. The German burst onto the scene this season and gained a record-tying 10 victories on the tour. He also won two gold medals at the Nordic Ski World Championship last month. (AP)

**Strong South Africa**

**CRICKET** Steve Elworthy's second four-wicket haul of the match helped take South Africa to the verge of victory Sunday at the end of the fourth day of play in the third test against New Zealand in Wellington.

Needling 276 runs to make South Africa bat again at the Basin Reserve, the home side finished the day precariously placed on 217 for seven wickets, still 59 runs in arrears with Dion Nash and Daniel Vettori at the crease on four and 12 respectively.

The day began with a surprise declaration by Hansie Cronje. His decision not to prolong the South African team's first innings from its overnight 498 for eight was prompted by the threat of rain. (Reuters)

**Jockey Killed in Race**

**HOSE RACING** An apprentice jockey in Hong Kong died Sunday after falling from her horse during a race, officials said.

W.Y. Kan, 20, who had been racing since 1997, fell off Happy King and was trampled by other horses as spectators watched in horror at the Hong Kong Jockey Club's Sha Tin track. Racing was called off Saturday.

Last year, Agassi tied Bill Tilden's U.S. record of 16 consecutive Davis Cup singles victories, but he said he was angry about the recent firing of the team physician, a personal friend.

"That's the last straw for me," he said. "I'm done with it. I never say never, but I'll never play again."

The physician, George Faried, lost

Compiled by Our Staff From Dispatches

Sergio Conceicao and Sinisa Mihajlovic scored in the opening 15 minutes Sunday to lift the Serie A leader Lazio past Venezia, 2-0, moving the Roman club closer to its first title in a quarter century.

Lazio had to weather three early Venezia scoring chances, including an Alvaro Recoba shot that slammed off the crossbar, before taking control and cruising to its eighth straight victory at Olympic Stadium in Rome.

Florentina, playing with 10 men, pulled alone into second place, five

points behind Lazio, by beating Piave, 2-1, on Carmine Esposito's goal in the last minute. AC Milan needed a late penalty kick from Maurizio Ganz to salvage a 2-2 home draw against Bari, and it dropped to third.

Lazio has won 13 of 16 games overall to increase its points total to 55. The club has often played second fiddle to AS Roma, the capital's other squad, but now has the inside track on adding to its one league title from 1974.

With eight games remaining, Fiorentina has 50 points and Milan 48. AC Parma, tied for second with Fiorentina and Milan entering action Sunday, needed to beat Udinese at night to stay in the title hunt.

Internazionale of Milan's season continued to unravel, as the interim coach, Mircea Lucescu, resigned within minutes of a 4-0 loss to Sampdoria of Genoa, which is battling relegation. Inter, knocked out of the Champions Cup on Wednesday by Manchester United, dropped to ninth in the 18-team league. Vincenzo Montella scored three goals for Sampdoria.

Juventus, which reached the Champions Cup semifinals last week, needed a late equalizer from the defender Mark Iniano to draw, 1-1, with Roma and stay undefeated in six games under its new coach, Carlo Ancelotti.

**ENGLAND** Tore Andre Flo scored two goals and set up another as Chelsea rekindled its title hopes Sunday with a 3-

0 victory at Aston Villa, a one-time leader that has now lost seven league matches in eight opportunities.

The Norwegian striker fired Chelsea ahead in the 59th minute and then provided the pass for the Danish forward Bjarne Goldbeck to hit the second goal five minutes from the end.

The result put Chelsea within four points of Manchester United and three behind second-place Arsenal.

But Manchester United regained its four-point lead with a 3-1 victory over Everton at home. Sluggish in the first half, United broke through when Ole Gunnar Solskjaer scored from Dwight Yorke's return pass in the 55th minute. A rare goal by Gary Neville and a David Beckham free kick gave United a comfortable margin before Don Hutchison's 80th-minute free kick provided consolation for struggling Everton.

Also Sunday, a 10-man Tottenham won the League Cup final at Wembley with a 1-0 victory over Leicester, thanks to Allan Nielsen's injury-time header.

On Saturday, Arsenal beat a resilient Coventry City, 2-0, at Highbury.

Arsenal's victory took the team to 59 points from 30 premier league games, one point behind United. It was Arsenal's 17th successive cup and league match without defeat.

Leeds United kept alive its outside hopes of winning the championship for the first time since 1992. The team came from behind to defeat injury-hit Derby County, 4-1, at Elland Road and chalk up its sixth successive league victory.

**SPAIN** Barcelona's Dutch midfielder Philip Cocu struck twice Sunday to secure a 2-0 victory over Real Sociedad that keeps the Catalans clear at the top of the Spanish first division.

Victory over the battling Basque side extended Barcelona's lead, at least temporarily, to five points.

Valencia, which started the day in second place, faced Real Zaragoza in the late game Sunday.

Meanwhile, Celta Vigo took over in second spot thanks to a 3-0 victory at home over Racing Santander, while Mallorca slipped back to sixth, eight points behind the leaders, as it fell, 2-1,



Lazio's midfielder Matias Almeyda, left, being chased by Venezia's midfielder Sergio Volpi on Sunday in Rome. Photo: Lop/Associated Press

at home to Deportivo Coruna, which climbed to third.

Real Madrid moved up to fifth, behind Valencia on goal difference, as it ground out a third successive league victory, 2-0, at home to Extremadura.

**GERMANY** Thomas Gravesen scored in the fifth minute to give Hamburg SV a 1-0 at Hansa Rostock in a Bundesliga match Sunday in Frankfurt.

The Danish midfielder's goal was the first scored by Hamburg since the season resumed after the winter break a month ago. It also probably saved the job of coach Frank Pasgelsdorf, who had come to Hamburg from Rostock.

The victory lifted Hamburg two places up, to 10th, in the Bundesliga, while Rostock remained locked in next-

to-last 17th.

Bayern Munich's big striker, Carsten Jancker, scored a late game-winner Saturday to help the team's reserves salvage a 1-0 Bundesliga victory against Werder Bremer.

**FC Kaiserslautern**, despite a 4-0 rout by Munich in the Champions Cup, roared back from one goal down to beat Bochum, 2-1, to take second place alone.

**FRANCE** Bordeaux bounced back from its midweek UEFA Cup manning in Paris by beating Strasbourg, 1-0, on Saturday to maintain its one-point lead at the top of the French first division.

The Italian star Fabrizio Ravanelli scored twice as second-place Olympique Marseille thrashed relegation-threatened Lorient, 4-1. (AP, Reuters)

**Police and Fans Clash in Zagreb**

The police in the Croatian capital battled rioting fans Sunday as Croatia Zagreb played its rival Hajduk Split. Reuters reported from Zagreb.

Croatia Zagreb fans ripped out scores of seats in the new north stand of the team's stadium and hurled them at the police.

Riot police moved in and eventually restored order, but there was more trouble after the interval, leaving large sections of the lower tier without seating.

Some fans continue to oppose the change of their team's name from the communist-era Dinamo to Croatia — a point they made vociferously throughout the game.

**Bribery Charges Swirl in Soccer**

The Associated Press

soccer regulator who was a strong favorite to win the FIFA election until Blatter joined the contest, was dismayed that 20 FIFA members, several of them from African countries, changed their allegiances in the last few weeks before the election in June.

The book alleges that \$1 million in cash was flown by the Middle Eastern figure, who remains unidentified, to the Meridien Hotel in Paris and given to the 20 FIFA delegates before the election.

The allegations originate in a book by a British author, David Yallop, called "How They Stole the Game." FIFA, which is soccer's international governing body, said last October that it had obtained an injunction blocking the sale of the book in Switzerland.

But Blatter suffered a setback last week when a Dutch court refused to grant him a similar injunction preventing publication in the Netherlands.

Johansson, the head of the European

regulator who was a strong favorite to win the FIFA election until Blatter joined the contest, was dismayed that 20 FIFA members, several of them from African countries, changed their allegiances in the last few weeks before the election in June.

The book alleges that \$1 million in cash was flown by the Middle Eastern figure, who remains unidentified, to the Meridien Hotel in Paris and given to the 20 FIFA delegates before the election.

Reacting to the fact that Blatter was objecting to the book's publication, Johansson reportedly said he had reasons to ask why should FIFA be against it. "I think that Blatter should have an inquiry," he said.

Blatter is reported to have said there was no need for one.

"Why should it?" he was quoted as saying. "I cannot open an inquiry into myself. The elections are now finished."

**Agassi, Miffed at USTA, Will Skip Davis Cup**

Compiled by Our Staff From Dispatches

KEY BISCAYNE, Florida — Andre Agassi is out at the Lipton Championships, and he says he is done with the Davis Cup too.

Hampered by an inconsistent serve and a sore hamstring, Agassi lost his opening match to the fist-pumping Slovak Dominik Hrbaty, 1-6, 6-3, 6-2.

Agassi's declaration is a big blow to the Americans, because Pete Sampras earlier said he would not play in the Davis Cup this year.

On Sunday, Carlos Moya, scrambling to protect his new No. 1 ranking, rallied past Jason Stoltenberg, 6-7 (5-7), 6-1, 7-5, in the third round at the Lipton Championships.

Top-ranked Martina Hingis had an easier time, beating Amy Frazier, 6-1, 6-1. Steffi Graf swept Henrieta Nagyova, 6-1, 6-3, while the Australian Open finalist Amelie Mauresmo lost to Elena Likhovtseva, 4-6, 7-6 (7-5), 6-1.

Moya was down a service break in the second set against Stoltenberg, then won the next seven games. The Spaniard benefited in the next-to-last game of the

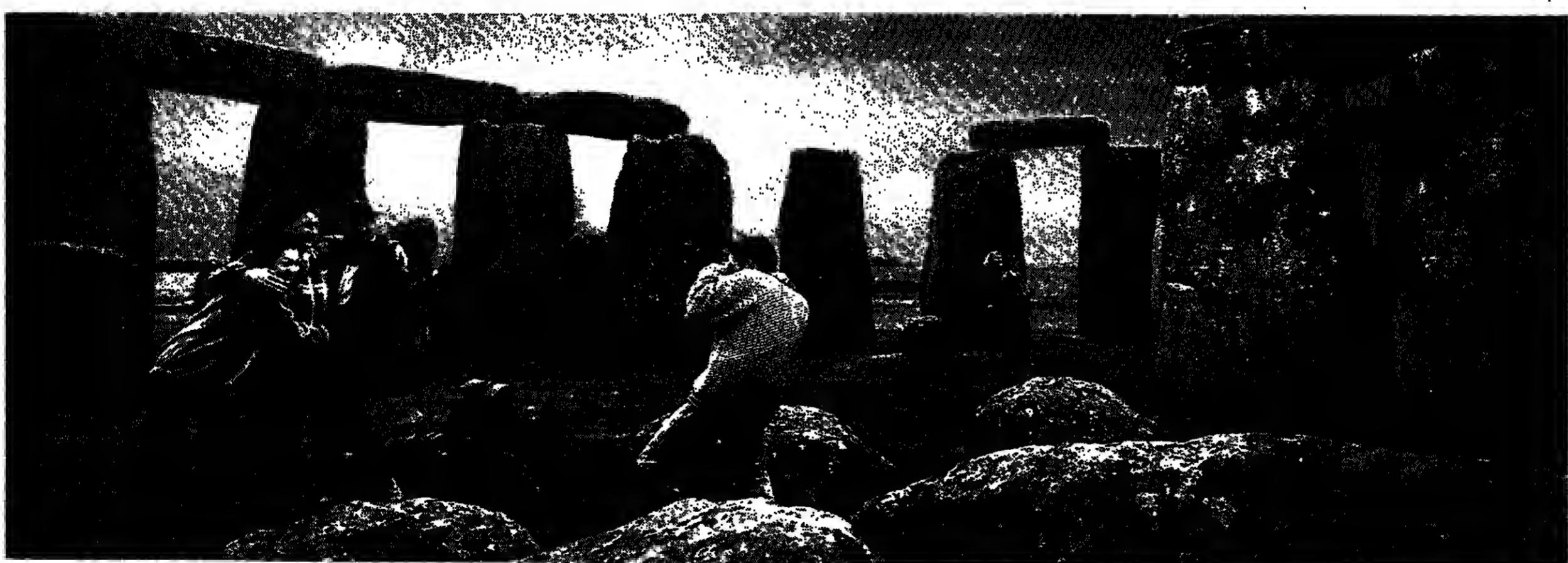
match from two overrules by the chair umpire, including one that cost Stoltenberg the game. Instead, Moya took a 6-5 lead, then served out the match.

On Saturday, Boris Becker played perhaps his final singles match in the United States, losing to Marat Safin, 7-6, 6-0. Becker plans to retire after the Wimbledon tournament this summer.

Sampras, the former No. 1, was playing for the 20th time against Jim Courier, defeated him, 6-3, 7-6 (7-3). Sampras belted two aces and a pair of service winners to take the tie-break, 7-3.

Eighth-seeded Marcelo Rios, making a comeback from a back injury, made a solid start to his title defense with a 7-6, 6-3 victory over Scott Draper of Australia.

Moya won his first match as the world's No. 1 player, beating Davide Sanguineti, 6-3, 4-6, 6-1. (AP, Reuters)



(take in a rock show)

and use AT&T Direct® Service. With the world's most powerful network you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language.

All it takes is your AT&T Calling Card or credit card, and you're well on your way. Important stuff, when you're out on tour.

For easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers

Australia	02-903-011	Greece	00-800-1311	Saudi Arabia	1-800-10
Belgium	0-800-100-10	Ireland	1-800-550-000	Spain	900-99-00-11
Czech Republic	00-0-0-000-101	Italy	1-800-74-74-749	Sweden	020-793-411
Egypt (Cairo)	510-2200	Italy	172-1801	Switzerland	0000-97-0011
France	0-800-99-0111	Netherlands	0800-022-9111	United Kingdom	0+ 0800-89-0011
Germany	0800-225-228	Russia (Moscow)	755-5042	United Kingdom	0+ 0500-89-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at

www.att.com/traveler

AT&T  
It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit. © Limited availability. © Calling available to most countries. © Public phones require local coin payment during the call. \*Dial "02" first outside Cairo. Additional charges apply outside Moscow. \*\*U.K. access number in N. Ireland. If call does not complete, use 0800-022-0011. © 1998 AT&T